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Livestock and Meat Situation

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Economics, Statistics,
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U.S. Department of
Agriculture

Approved by the
World Food and
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LMS-236

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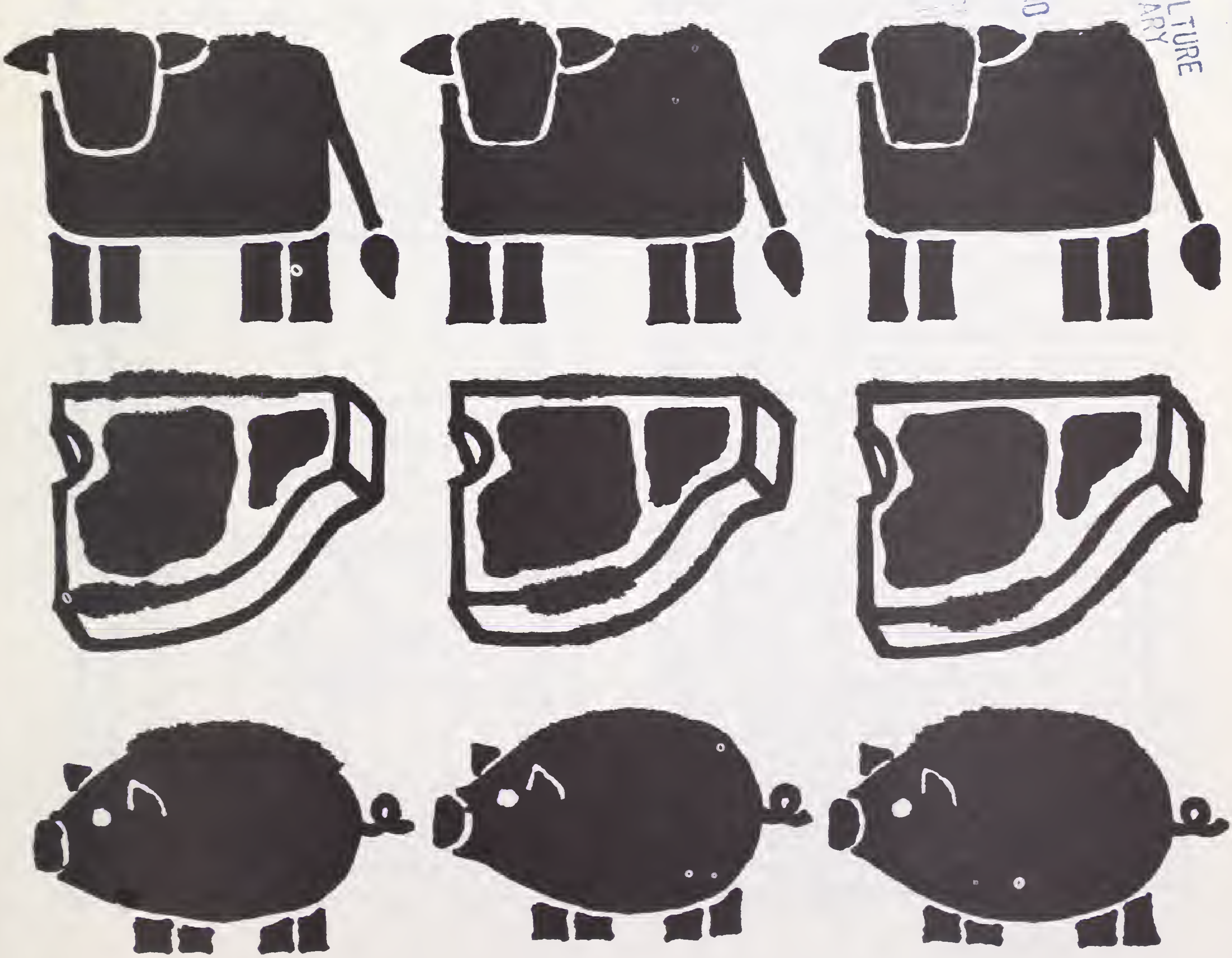

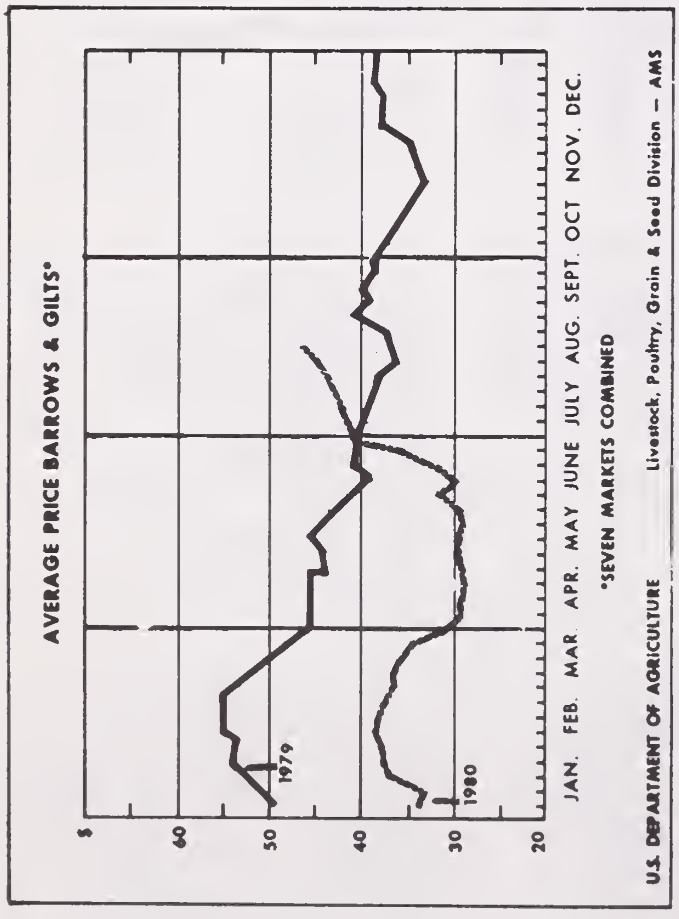

AVERAGE PRICE BARROWS & GILTS*

*SEVEN MARKETS COMBINED

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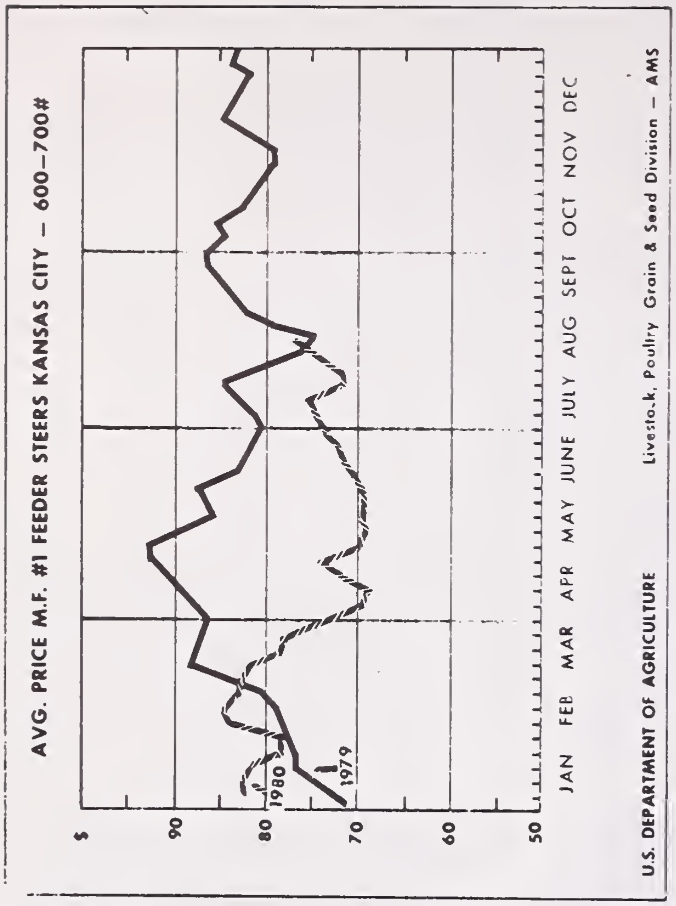

AVG. PRICE M.F. #1 FEEDER STEERS KANSAS CITY – 600–700#

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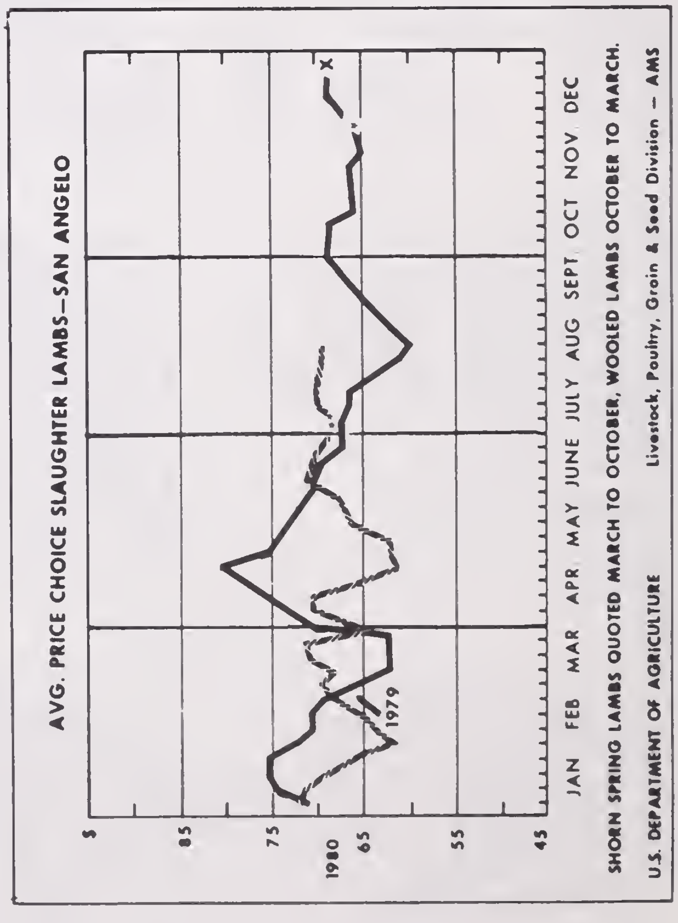
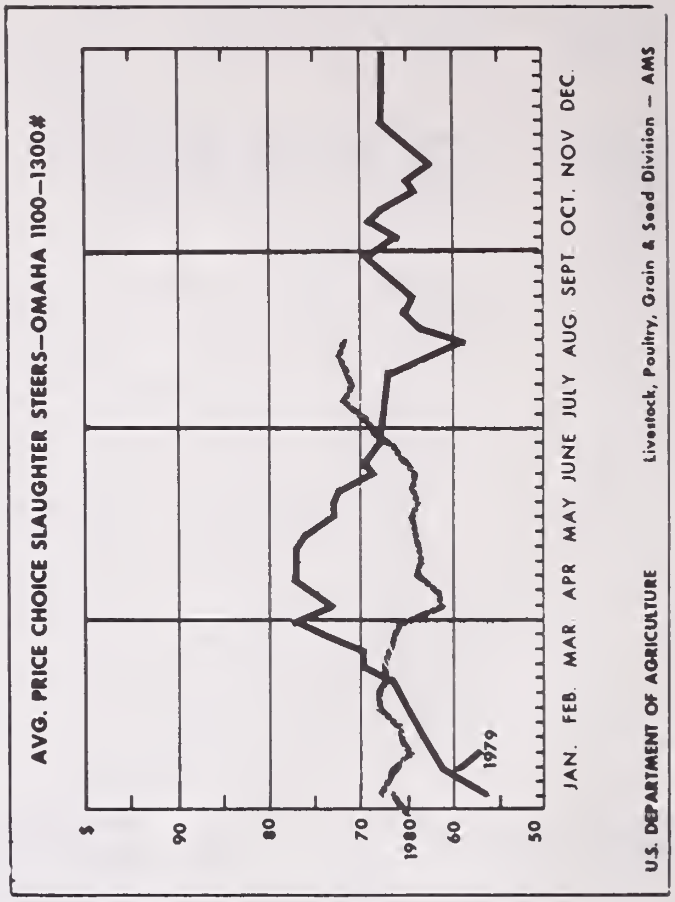


AVG. PRICE CHOICE SLAUGHTER LAMBS—SAN ANGELO

SHORN SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH.

U.S. DEPARTMENT OF AGRICULTURE Livestock, Poultry, Grain & Seed Division – AMS



AVG. PRICE CHOICE SLAUGHTER STEERS—OMAHA 1100–1300#

U.S. DEPARTMENT OF AGRICULTURE Livestock, Poultry, Grain & Seed Division – AMS

LIVESTOCK AND MEAT SITUATION

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National Economics Division
Economics, Statistics, and Cooperatives Service

U.S. Department of Agriculture
Washington, D.C. 20250

Quarterly issues of the *Livestock and Meat Situation* will be published in February, May, August, and November. Additional issues containing summary tables will be published in January, April, July, and October.

SUMMARY

Livestock Prices and Production Costs Increase

Livestock prices, particularly hogs prices, rose sharply in July and early August, raising gross returns to producers. However, feed costs also increased rapidly, offseting much of the higher returns.

Hog prices at Omaha increased from $43 per cwt. in early July to almost $50 in mid-August. Prices increased as hog slaughter declined from spring and year-earlier levels. Slaughter under Federal Inspection averaged 1.6 million head per week during the first half of the summer quarter, down from the record 2 million this spring, and 4 percent below a year earlier. However, hog slaughter is expected to begin increasing substantially in September, with a further seasonal increase in October. During this period, hog prices could drop to the mid-to-upper $30's before rising later in the quarter as hog and broiler production declines.

Production costs for hogs have increased because of a sharp rise in corn and oilseed meal prices. Corn at Chicago increased from $2.65 per bushel in early June to $3.30 in mid-August. Soybean meal prices at Decatur rose from $160 per ton to $200. These increases boosted total cash costs to nearly $45, a gain of nearly $5 for every cwt. of hogs sold. So although hog prices exceeded production costs in early August, they may fall below production costs later this fall. These increased production costs may result in less pork being produced in 1981 than earlier expected. Since many hogs are produced on livestock-grain farms, some farmers may elect to sell their corn directly rather than market it through hogs. This may cause June-November farrowings to be even smaller than producers indicated on June 1, 1980.

Feedlot placements will increase above year-earlier levels in the second half of 1980, but sharply higher feed prices will moderate the rate of increase, despite higher Choice steer prices and a likely return to profitable margins this fall. However, nonfed steer and heifer slaughter will increase because of the large feeder cattle supplies and drought-reduced grazing capability throughout many of the overwintering

areas. Nonfed slaughter is expected to remain large at least through the first quarter of 1981. Consequently, third and fourth quarter 1980 beef production will be near to slightly above year-earlier levels. Fed beef prices will be bolstered late in the fourth quarter as fed cattle marketings and supplies of competing meats decline. Increased nonfed slaughter will help moderate price increases for fed beef as well as for hamburger and processing meats.

Fed cattle prices may average in the low $70's in the third quarter and increase to near $75 late in the fourth quarter. Yearling feeder cattle prices will be held down by increased feeding costs and reduced demand. Yearlings likely will average only in the mid-$70's for the rest of the year. Continued drought and bunched feeder cattle marketings could force prices even lower.

The midyear cattle inventory indicated a rapid early rebuilding of cattle inventories in the Plains and Western States where the cattle enterprise is a major source of farm income. U.S. cattle numbers on July 1, 1980, were estimated at 123 million head, a 4-percent increase over the 118 million a year earlier. The beef cow inventory expanded by 6 percent, or 2.3 million head. Record high cattle prices in the spring of 1979, favorable grazing conditions until this summer, and a very mild winter were all conducive to herd expansion.

COMMERCIAL MEAT PRODUCTION AND PRICES

(All Percent Changes Shown Are From a Year Earlier)

	1979			1980			
	II	III	IV	I	II	III[1]	IV[1]
				Mil. lb.			
PRODUCTION							
Beef.	5,076	5,222	5,416	5,244	5,250	5,300	5,425
% change.	-15	-12	-10	-5	+3	+1	0
Pork	3,754	3,775	4,346	4,124	4,300	3,900	4,225
% change.	+15	+19	+23	+21	+15	+3	-3
Lamb & Mutton. .	71	69	73	81	77	70	70
% change.	-7	-5	-4	+14	+8	+1	-4
Veal.	98	99	100	91	89	80	85
% change.	-34	-29	-25	-19	-9	-19	-15
Total Red Meat . .	8,999	9,165	9,935	9,540	9,716	9,350	9,805
% change.	-5	-1	+1	+5	+8	+2	-1
Broilers[2]	2,844	2,855	2,665	2,722	2,923	2,750	2,450
% change.	+12	+11	+9	+7	+3	-4	-8
Turkeys[2].	465	720	725	374	523	720	725
% change.	+17	+6	+7	+38	+12	0	0
Total Red Meat & Poultry	12,308	12,740	13,325	12,636	13,162	12,820	12,980
% change.	-1	+2	+3	+6	+7	+1	-3
PRICES				*$/cwt.*			
Choice steers, . . . Omaha, 900-1100 lb.	72.51	65.88	66.86	66.85	64.65	70-72	73-75
Barrows & . . . . . Gilts, 7 mkts.	43.04	38.52	36.39	36.31	31.18	41-43	42-44
Slaugh. Lambs, . . Ch., San Ang.	73.55	65.41	67.08	68.57	66.67	68-70	68-70
				Cents/lb.			
Broilers. . . . . . . 9-city avg[3]	47.7	40.8	41.7	43.0	41.1	49-51	47-49
Turkeys, NY[4] . . .	66.2	63.1	73.0	59.0	54.3	60-62	68-70

[1] Forecast. [2] Federally inspected. [3] Wholesale weighted average. [4] Wholesale, 8-16 lb. young hens.

FACTORS AFFECTING THE LIVESTOCK AND MEAT INDUSTRY

Real Output and Incomes Decline; Inflation Rate Slows

Economic activity dropped sharply in the second quarter and is expected to show a sluggish recovery later this year and in 1981. Real gross national product (GNP) decreased at a near record 9.1 percent annual rate during the second quarter, following a 1 percent rise in the first.

Disposable personal income increased $16.6 billion in the second quarter while personal outlays decreased $1.8 billion. As a result, personal saving increased $18.5 billion and the saving rate increased to 4.7 percent of disposable income, up from 3.7 percent in the previous quarter. Per capita disposable income increased slightly, but after adjusting for price changes it was down 6.4 percent on a annual rate basis from the first quarter.

A further decline in real GNP is expected for the third quarter, but it is expected to be about half of the second quarter decline. The economy is likely to resume positive real growth in the fourth quarter. The recovery is expected to be sluggish through 1981, assuming no fiscal policy stimulus such as a tax cut.

The slow economic growth is likely to slow increases in the demand for meat. If consumers save more of their income for the rest of 1980 than they did in 1979, demand could be further reduced. During the last half of 1979, consumers maintained their expenditures by reducing the saving rate. It fell from 5.4 percent of disposable income in the second quarter to 4.3 percent in the third and 3.5 percent in the fourth.

The rate of inflation—which has been declining in the last 3 months—may begin rising again late this year and into 1981. Retail food prices are likely to rise faster in the second half of 1980 than in the first.

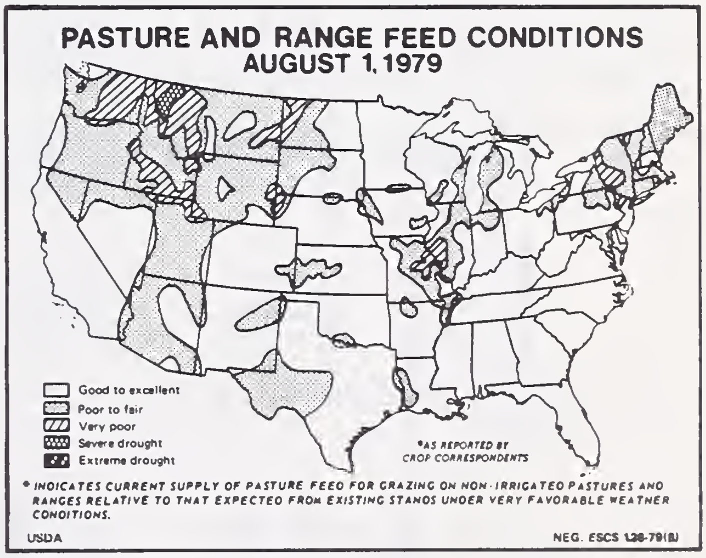
Feed and Grazing Prospects Deteriorate

Hot, dry weather conditions have continued almost unabated since late June in the central and southern States. This pattern has hurt grazing conditions and feed supplies and thus placed additional uncertainties on production costs, output, and prices for livestock. Since late July, rains and frontal systems with cooler temperatures have brought relief to crops through the Northern Great Plains and the Corn Belt to the Atlantic Coast. These factors ended some of the crop drought and heat stress as August began.

Based on conditions as of August 1, the drought reduced U.S. corn crop was forecast at 6.65 billion bushels, 14 percent less than last year's record crop. Feedgrain production is expected to total about 197 million metric tons, 16 percent less than the 1979 crop. Sorghum production is forecast to decline the most—about a third—due to the drought impact in Texas, Oklahoma, Kansas, Missouri, and Arkansas.

Carryover stocks of feed grains for 1980/81 are projected at 31 million tons, more than 40 percent below the year-earlier level, and a fifth below the July forecast. The expected 22 million ton reduction in feed grain stocks would be the largest ever year-to-year decline in stocks. Corn carryover is expected to decline around 700 million bushels from the 1.7 billion of 1979/80.

The poorer crop prospects and a sharp draw down in stocks point to increased feed grain prices for 1980/81. Higher release and call prices for reserve grain also will tend to boost prices. Corn prices at the farm are expected to average from $2.90 to $3.40 per bushel in the 1980/81 crop year, compared to a range of $2.45 to $2.85 last month, and $2.50 per bushel estimated for 1979/80. Sorghum prices are expected to average $2.85 to $3.25 per bushel in 1980/81 compared with $2.35 in 1979/80. This sharp increase is due to the drought-reduced sorghum harvest this fall, and reduced overall feed grain supplies.


PASTURE AND RANGE FEED CONDITIONS
AUGUST 1, 1979

* INDICATES CURRENT SUPPLY OF PASTURE FEED FOR GRAZING ON NON-IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS.

USDA NEG. ESCS 128-79(8)

Soybean meal prices, from the 17 percent smaller crop, are expected to average $185 to $255 per ton in 1980/81 up from the $180 estimated for 1979/80. The substantially larger U.S. and world carryin stocks of soybean and other oilseeds coupled with some slowing in the demand for soybean products, particularly in the United States, will temper price increases for the new season. Stocks of all oilseeds this fall in the major producer-exporter countries are expected to be record high, up by 11 million tons or about double last year's stock levels. This will likely offset the substantial drop in U.S. and world oilseed production and still provide for a possible record high total oilseed supply in 1980/81.

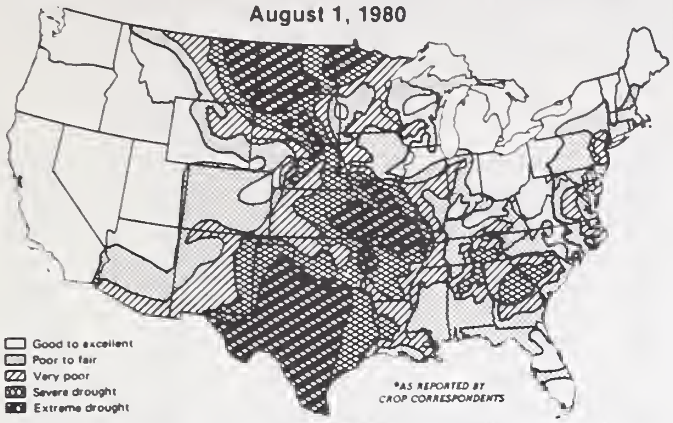
SELECTED MACROECONOMIC DATA

ITEM	1978		1979				1980	
	III	IV	I	II	III	IV	I	II
GROSS NATIONAL PRODUCT (BIL. $)								
CURRENT $	2159.6	2235.2	2292.1	2329.8	2396.5	2456.9	2520.8	2523.4
% CHANGE AT ANNUAL RATE	11.0	14.8	10.6	6.7	12.0	10.5	10.8	0.4
1972 $	1407.3	1426.6	1430.6	1422.3	1433.3	1440.3	1444.7	1410.8
% CHANGE AT ANNUAL RATE	3.5	5.6	1.1	-2.3	3.1	2.0	1.2	-9.1
DISPOSABLE PERSONAL INCOME								
(PER CAPITA)								
CURRENT $	6748	6954	7157	7275	7430	7606	7834	7892
% CHANGE AT ANNUAL RATE	10.3	12.6	12.2	6.8	8.8	9.8	12.5	3.0
1972 $	4461	4522	4536	4510	4501	4502	4502	4428
% CHANGE AT ANNUAL RATE	3.2	5.6	1.2	-2.3	-0.8	0.1	0.0	-6.4
PERSONAL CONSUMPTION EXPENDITURES								
DURABLES	203.5	212.1	213.8	208.7	213.4	216.2	220.2	197.0
NONDURABLES	536.7	558.1	571.1	581.2	604.7	630.7	652.0	654.4
FOOD	274.5	283.9	292.9	296.7	303.1	315.6	322.6	324.0
SERVICES	629.1	645.1	669.3	686.0	710.6	733.5	757.3	776.8
TOTAL	1369.3	1415.4	1454.2	1475.9	1528.6	1580.4	1629.5	1628.2
DURABLES AS % OF TOTAL	14.9	15.0	14.7	14.1	14.0	13.7	13.5	12.1
NONDURABLES AS % OF TOTAL	39.2	39.4	39.3	39.4	39.6	39.9	40.0	40.2
FOOD AS % OF TOTAL	20.0	20.1	20.1	20.1	19.8	20.0	19.8	19.9
FOOD AS % OF NONDURABLES	51.1	50.9	51.3	51.0	50.1	50.0	49.5	49.5
SERVICES AS % OF TOTAL	45.9	45.6	46.0	46.5	46.5	46.4	46.5	47.7
CONSUMER PRICE INDEXES								
ALL GOODS	197.9	201.9	207.0	214.1	221.1	227.6	236.5	245.0
FOOD	215.3	218.0	227.5	234.0	236.8	239.7	245.3	250.5
MEATS	213.5	217.4	236.8	250.0	241.3	239.4	244.6	240.0

SOURCE: U.S. DEPT. OF COMMERCE, BEA

PASTURE AND RANGE FEED CONDITIONS*

August 1, 1980



*INDICATES CURRENT SUPPLY OF PASTURE FEED FOR GRAZING ON NON-IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS.

USDA NEG. ESCS 256-80(8)

Pasture and range conditions deteriorated in July. Conditions continued to deteriorate in August particularly in the southern areas as moisture shortages and record high temperatures stopped pasture growth. On August 1, 1980, U.S. pasture and range feed conditions were rated very poor with an index of 60. This compares with an index of 84 a year earlier and a 1969-78 average of 76. Pasture and range feed conditions were rated from a severe to extreme drought in Arkansas, Kansas, Missouri, North Dakota, Oklahoma, South Dakota and Texas. Conditions were rated very poor in several other States. Forage quality deteriorated and cattle were grazing on accumulated growth of range and pasture which normally would be utilized for grazing during the fall and winter. Supplemental feeding has been necessary in some areas. Unless moisture conditions improve, encouraging additional late summer and fall pasture growth, additional supplemental feeding will be necessary in many areas. Improved fall small grain planting conditions and therefore fall and winter grazing prospects would further help the forage picture and reduce nonfed steer and heifer slaughter particularly in the Southern States.

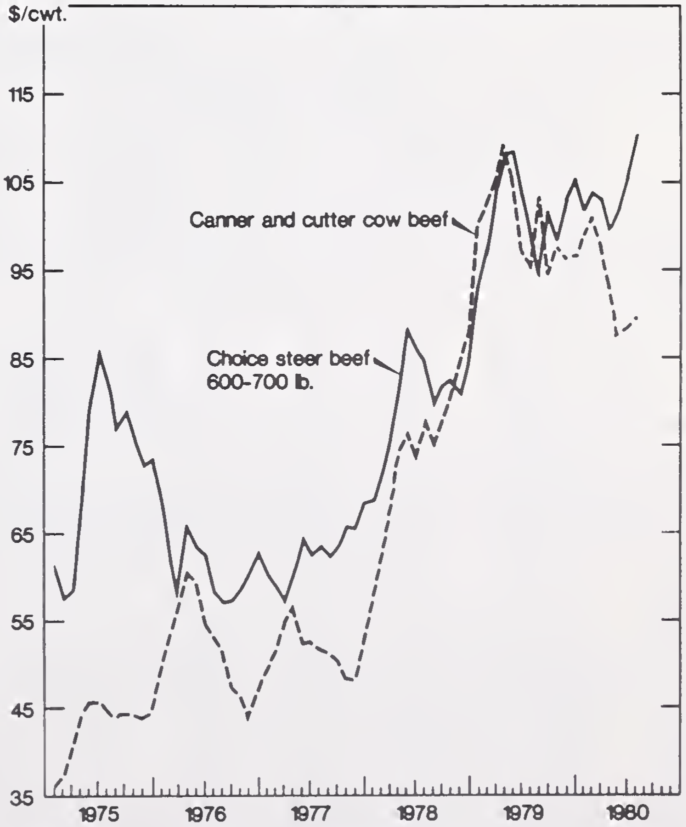
Hay stocks on May 1, 1980, were record high. Production from this summer's hay crop as indicated in the August 1 crop report was reduced 15 percent from the large 1979 hay crop. However, the 1980 crop combined with last year's large carryover insure that hay supplies should be adequate for increased supplemental feeding for the still reduced cattle herd. Available hay supplies on August 1, carryover stocks plus the 1980 harvest, were 10 percent below the record 1979 level, and 5 percent below 1978 supplies. Hay production has been sharply reduced throughout the Plains States, Arkansas, Iowa, and Minnesota. The greatest reductions were in the Dakota's and Minnesota. Total forage supplies in drought areas may be further expanded if drought impacted grain crops are harvested as silage or hay. Average prices received by farmers for all hay in July was $66.50 per ton, up about $10 from July 1979. Prices increased only about $2 a ton over the June price. However, hay deficit areas face higher prices this fall, particularly given the higher transportation costs.

LIVESTOCK AND MEAT SUPPLIES

Red meat and poultry production increased substantially from year-ago levels during the first half of 1980, rising 6 percent in the first quarter and 7 percent in the second. This large increase can be attributed mostly to pork output, which was up 21 percent in the first quarter and 15 percent in the second quarter. Total meat production in the second half will still be large. Production is expected to be down seasonally in the third quarter but still a little larger than a year ago but may decline 2 to 4 percent from year-earlier levels in the fourth quarter.

The sharpest declines in second half output may occur in the broiler sector. Broiler producers had been intending to reduce second half 1980 output in response to a severe cost-price squeeze, but the intense heat resulted in above normal death loss and reduced hatchability. Consequently, broiler output may decline 3 to 5 percent in the third quarter and 7 to 9 percent in the fourth from year-earlier levels. Pork production is expected to be up 2 to 4 percent

Carlot Meat Prices Central U.S. Markets*



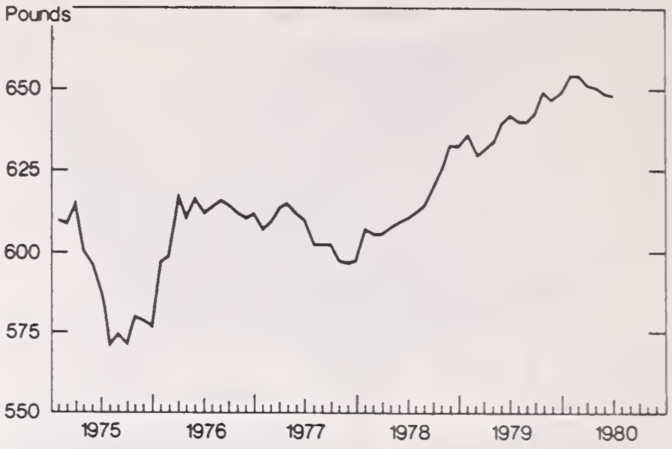
*Prior to 1978, midwest mkts.

USDA Neg. ESCS 762-80(8)

in the third quarter, but down 2 to 4 percent in the fourth quarter. Beef production in the second half of 1980 is expected to be near year-earlier levels.

A seasonal decline in pork and broiler production in early summer has supported a sharp rise in livestock and poultry prices. Prices are likely to decline later in the quarter as hog slaughter increases but may increase again late in the fourth quarter as total meat production drops below year-earlier levels. However, meat prices could be held down if the drought continues and additional livestock are slaughtered this fall and winter due to deteriorating pasture conditions. Sharply increased grain prices could further adversely affect production in 1981 if increases in production costs outpace expectations for livestock price gains.

Average Dressed Weight of Cattle



USDA

Neg. ESCS 2126 80(8)

CATTLE

Cattle Inventory; 1980 Calf Crop Up Sharply

The cattle and calves inventory on July 1 indicated a rapid early rebuilding of cattle inventories. Cattle numbers were estimated at 123 million, a 4 percent increase over the 118 million recorded on July 1, 1979. These figures reflect a strong rebuilding effort following the 21 million head liquidation which occurred between 1975 and 1979. Record high cattle prices prevailed during the 1979 breeding season (March-June) in the spring calving areas. These strong prices, reduced herd culling due partially to very favorable grazing conditions in most areas, and a very mild winter were all conducive to herd expansion.

While the total cattle inventory expanded 4 percent, the beef cow inventory expanded 6 percent—2.3 million head. The only area to show a decline in total cattle numbers was the continued drought stricken States of Montana, North Dakota, and South Dakota. However, beef cow numbers declined only 1 percent in Montana and North Dakota and increased 5 percent, near the national average, in South Dakota as producers attempted to maintain their breeding

Table 1—Beef supplies and prices

	Commercial cattle slaughter[1]						Average dressed weight	Commercial production	Per capita consumption[2]	Prices			
	Steers and heifers			Cows	Bulls and stags	Total				Retail	Choice Feeders 600-700 lb. Kansas City	Choice Steers Omaha 900-1100 lb.	Farm[3]
	Fed	Non-fed	Total										
	1,000 head						*Lb.*	*Mil. lb.*	*Lb.*	*Cents/lb.*	*$/cwt.*		
1977: I. . .	6,710	1,009	7,719	2,535	212	10,466	601	6,287	31.7	144.6	37.77	37.88	33.07
II . .	6,400	1,406	7,806	2,162	225	10,193	604	6,158	30.9	146.4	41.10	40.77	35.20
III. .	6,420	1,567	7,987	2,398	244	10,629	595	6,321	32.0	149.0	41.16	40.47	34.70
IV. .	6,360	1,217	7,577	2,769	222	10,568	588	6,220	31.3	153.4	40.70	42.42	34.97
Year . . .	25,890	5,199	31,089	9,864	903	41,856	597	24,986	125.9	148.4	40.18	40.38	34.40
1978: I. . .	7,050	658	7,708	2,317	184	10,209	598	6,106	30.4	162.7	47.89	45.77	40.73
II . .	6,900	617	7,517	2,148	211	9,876	601	5,938	29.8	185.7	58.00	55.06	49.60
III. .	6,770	772	7,542	1,993	208	9,743	608	5,923	29.7	189.4	62.71	53.75	50.53
IV. .	7,020	497	7,517	2,012	195	9,724	621	6,043	30.2	189.7	66.52	54.76	53.23
Year	27,740	2,544	30,284	8,470	798	39,552	607	24,010	120.1	181.9	58.78	52.34	48.23
1979: I. . .	7,020	163	7,183	1,564	149	8,896	624	5,547	28.3	215.4	80.94	65.42	65.17
II . .	6,370	157	6,527	1,370	147	8,044	631	5,076	26.2	235.5	86.83	72.51	70.70
III. .	6,220	524	6,744	1,340	164	8,248	633	5,222	26.2	226.6	82.38	65.88	64.83
IV. .	5,920	745	6,665	1,656	169	8,490	638	5,416	26.9	227.7	82.18	67.18	64.30
Year . . .	25,530	1,589	27,119	5,930	629	33,678	631	21,261	107.6	226.3	83.08	67.75	66.10
1980: I . . .	6,408	119	6,527	1,449	161	8,137	644	5,244	26.2	235.2	80.44	66.85	64.93
II . . .	5,861	783	6,644	1,374	175	8,193	641	5,250	26.0	231.4	70.43	64.65	60.70

[1] Classes estimated. [2] Total, including farm production. [3] Annual is weighted average.

Jan. 1 cattle inventory and calf crop

Year	Cattle	Cows	Cows/ cattle	Calf crops	Calf crop/ cows
	1,000 head	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1950 ..	77,963	37,946	49	34,899	92
1951 ..	82,083	39,415	48	35,825	91
1952 ..	88,072	41,225	47	38,273	93
1953 ..	94,241	44,030	47	41,261	94
1954 ..	95,679	46,045	48	42,601	93
1955 ..	96,592	46,240	48	42,112	91
1956 ..	95,900	45,460	47	41,376	91
1957 ..	92,860	44,115	48	39,905	90
1958 ..	91,176	42,790	47	38,860	91
1959 ..	93,322	42,680	46	38,938	91
1960 ..	96,236	43,325	45	39,416	91
1961 ..	97,700	44,045	45	40,180	91
1962 ..	100,369	45,086	45	41,441	92
1963 ..	104,488	46,399	44	42,268	91
1964 ..	107,903	47,868	44	43,809	92
1965 ..	109,000	48,780	45	43,922	90
1966 ..	108,862	47,990	44	43,537	91
1967 ..	108,783	47,495	44	43,803	92
1968 ..	109,371	47,685	44	44,315	93
1969 ..	110,015	48,040	44	45,177	94
1970 ..	112,369	48,780	43	45,871	94
1971 ..	114,578	49,786	43	46,738	94
1972 ..	117,862	50,585	43	47,682	94
1973 ..	121,539	52,553	43	49,194	94
1974 ..	127,788	54,478	43	50,873	93
1975 ..	132,028	56,931	43	50,183	88
1976 ..	127,980	54,974	43	47,440	86
1977 ..	122,810	52,424	43	46,088	88
1978 ..	116,375	49,748	43	43,839	88
1979 ..	110,864	47,843	43	42,752	89
1980 ..	110,961	47,794	43	45,525	[1] 95

[1] For 1980, the calf crop is the number of calves born before July 1 plus the number expected to be born on and after July 1.

herds. In general, some of the greatest expansion occurred in States bordering the Northern Great Plains drought area. Apparently many of the cattle in the drought area were sold or moved to neighboring States where relatively better grazing conditions prevailed. Beef cow numbers also declined in Illinois and Tennessee.

The 1980 calf crop was estimated at 45.5 million head, a 6 percent increase over the 42.8 million recorded in 1979. An estimated 32.2 million calves were born in the first half of 1980, a 9 percent increase over 1979. Calves born in the first half of the year were estimated to represent 71.5 percent of the calf crop compared with 69.9 percent in 1979. This sharp increase came about as a record high 56 percent of the heifers being saved for herd replacement on January 1, calved and entered the cow herd.

On July 1, 1980, the number of heifers being saved for herd replacement and expansion increased 4 percent over the 1979 retention rate and 10 percent over 1978. The only area to show a slowdown in heifer retention, except for the Northern Great Plains drought area, was the West Coast. This area had been forced to liquidate earlier than producers in other areas due to the 1974-75 drought and also began to expand at an earlier date.

The number of yearling heifers not being saved for herd replacement and yearling steers declined by 2 and 1 percent, respectively. Bulls weighing 500 pounds and over increased by 7 percent. Heifers, steers and bulls weighing less than 500 pounds increased 6 percent.

Established farms and ranches on which the cattle enterprise is the only or a primary source of income have had higher cattle prices since 1978, which has helped to rebuild their financial base. These operations also have had underutilized forage resources, due to the reduced cattle inventories and generally favorable pasture conditions prior to this summer. These farms and ranches form the base for the present expansion. They will continue to expand their cattle herds to more fully utilize forage resources and to increase farm incomes.

Beef cow expansion in the North Central and Southeastern regions was lower than the 6 percent national average. Although U.S. beef cow numbers were 16 percent below the record 1975 levels, the

Heifers entering cow herd
January-June and July-December

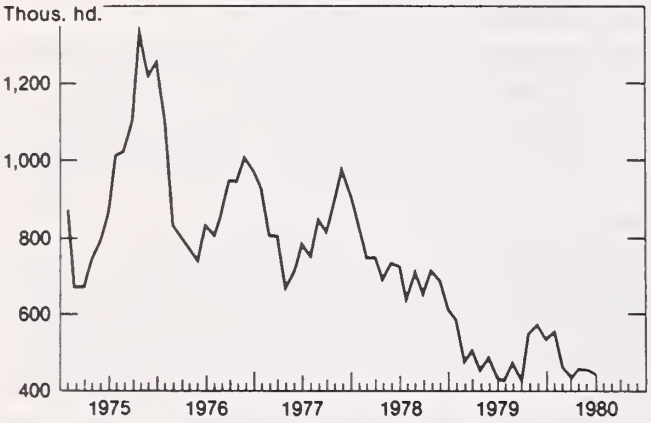
	January 1 cow inventory	Intended herd replacements January 1	Total[1] disappearance Jan.-June	July 1 cow inventory	Heifers entering herd Jan.-June	Percent entering herd	Intended herd replacements July 1	Total[3] disappearance July-Dec.	January 1 cow inventory following yr.	Heifers entering herd July-Dec.	Percent entering herd
	1,000 head					*Percent*	*1,000 head*				*Percent*
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,927	35.2
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,677	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,974	4,120	36.4
1976	54,974	11,154	5,628	53,940	4,594	41.2	10,469	5,811	52,424	4,300	41.1
1977	52,424	10,417	5,221	52,171	4,968	47.7	9,844	5,430	49,748	3,006	30.5
1978	49,748	9,741	4,961	48,477	3,690	37.9	9,326	4,030	47,843	3,396	36.4
1979	47,843	9,452	3,413	47,740	3,310	35.0	9,895	3,020	47,794	3,074	31.1
1980	47,794	10,096	3,302	50,148	5,656	56.0	10,260	3,490	50,250	3,592	35.0

[1] Death loss 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. [2] Death loss ½ percent of January 1 cow inventory plus estimated commercial cow slaughter. [3] Last ½ year forecast.

beef herd was still over 20 percent below 1975 levels in these two regions. In the Southeast this slower expansion reflects the continued higher production costs due to increased fertilizer prices. Pasture fertilization is necessary in most Southeastern producing areas to maintain favorable grass stands and grazing quality.

The end result of the cattle industry's present expansion phase may be continued growth over the next few years, to more fully utilize forage resources on farms and ranches where the cattle enterprise represents an important proportion of income. However, producers who sold off their beef herd during the mid-70's, particularly on farms where much land has shifted back to crop production and the livestock enterprise represents a small share of farm income, are not likely to return to beef production. Higher prices for replacement beef cows expected over the next couple of years and continued strong grain prices will further deter reentry.

Commercial Cow Slaughter*



*Estimated.

USDA Neg. ESCS 940-80 (8)

Feeder Cattle Supplies Remain Large

Total feeder cattle supplies outside feedlots on July 1 were more than 5 percent, above 1979 levels—nearly 2.6 million head. The number of feeder calves weighing less than 500 pounds outside feedlots increased by 7 percent, the first year-to-year increase since 1975. The number of yearlings outside feedlots increased by 1 percent.

Feeder cattle supplies on July 1, increased because of reduced feedlot placements, a larger calf crop, and a decline in calf slaughter. Over 800,000 fewer cattle, an 8 percent decline, were placed on feed in the first half of 1980. As already indicated, the calf crop born in the first half of 1980 increased by 9 percent—nearly 2.7 million head. Calf slaughter through the end of June was 200,000 head or 14 percent below the same period in 1979.

However, even as feeder cattle supplies were increasing the rate of increase was being held down. Nonfed steer and heifer slaughter increased sharply in the second quarter as larger supplies of feeder cattle were marketed. First half 1980 nonfed steer and heifer slaughter was nearly 600,000 head above year-ago levels.

Increased feedlot placement levels and continued large nonfed steer and heifer slaughter through early 1981 will begin to moderate feeder cattle supplies later next spring, particularly for yearlings. Feedlot placements should begin to shift from yearlings

July 1 cattle inventory

Class	1975	1976	1977	1978	1979	1980	1980/79
				1,000 head			*% change*
Cattle and calves	140,201	133,659	130,195	121,695	118,487	123,221	+4
Cows and heifers that have calved	58,053	53,940	52,171	48,477	47,740	50,148	+5
Beef cows	46,905	42,882	41,194	37,676	37,006	39,316	+6
Milk cows	11,148	11,058	10,977	10,801	10,734	10,832	+1
Heifers 500 pounds and over	18,964	18,919	18,356	18,086	17,646	17,885	+1
For beef cow replacement	7,382	6,527	5,839	5,369	5,778	5,871	+2
For milk cow replacement	3,924	3,942	4,005	3,957	4,117	4,389	+7
Other heifers	7,658	8,450	8,512	8,760	7,751	7,625	-2
Steers 500 pounds and over	17,323	18,671	18,652	17,869	16,853	16,605	-1
Bulls 500 pounds and over	3,058	2,759	2,685	2,458	2,455	2,617	+7
Heifers, steers and bulls under 500 pounds	42,793	39,370	38,331	34,805	33,793	35,966	+6
Calf crop[1]	50,183	47,440	46,088	43,839	42,752	45,525	+6

[1] For 1980, the Calf crop is the number of calves born before July 1 plus the number expected to be born after July 1.

Table 2—Cattle balance sheet

Year	On farms Jan. 1	Imports	Calf crop	Total supply	Slaughter		Death loss	Exports	Total disappearance	To balance	On farms Dec. 31
					Cattle	Calves					
	1,000 head										
1950	77,963	461	34,899	113,323	18,614	10,501	3,742	8	32,865	+1,625	82,083
1951	82,083	239	35,825	118,147	17,084	8,902	3,863	8	29,857	-218	88,072
1952	88,072	140	38,273	126,485	18,625	9,388	4,034	11	32,058	-186	94,241
1953	94,241	198	41,261	135,700	24,465	12,200	4,060	15	40,740	+719	95,679
1954	95,679	86	42,601	138,366	25,889	13,270	4,063	21	43,243	+1,469	96,592
1955	96,592	314	42,112	139,018	26,587	12,864	4,052	35	43,538	+420	95,900
1956	95,900	159	41,376	137,435	27,755	12,999	3,912	37	44,703	+128	92,860
1957	92,860	728	39,905	133,493	27,068	12,353	3,801	44	43,266	+949	91,176
1958	91,176	1,152	38,860	131,188	24,368	9,738	3,810	26	37,942	+76	93,322
1959	93,322	709	38,938	132,969	23,722	8,072	3,876	51	35,721	-1,012	96,236
1960	96,236	663	39,416	136,315	26,029	8,615	4,100	32	38,776	+161	97,700
1961	97,700	1,043	40,180	138,923	26,471	8,080	4,018	24	38,593	+39	100,369
1962	100,369	1,250	41,441	143,060	26,911	7,857	4,125	19	38,912	+340	104,488
1963	104,488	852	42,268	147,608	28,070	7,204	4,040	23	39,337	-368	107,903
1964	107,903	547	43,809	152,259	31,678	7,632	4,232	62	43,604	+345	109,000
1965	109,000	1,128	43,922	154,050	33,171	7,788	4,248	54	45,261	+73	108,862
1966	108,862	1,100	43,537	153,499	34,173	6,863	4,049	35	45,120	+404	108,783
1967	108,783	752	43,803	153,338	34,297	6,110	4,045	55	44,507	+540	109,371
1968	109,371	1,039	44,315	154,725	35,418	5,616	4,012	36	45,082	+372	110,015
1969	110,015	1,042	45,177	156,234	35,573	5,011	4,123	39	44,746	+881	112,369
1970	112,369	1,168	45,871	159,408	35,356	4,203	4,297	88	43,944	-886	114,578
1971	114,578	991	46,738	162,307	35,905	3,825	4,442	93	44,265	-180	117,862
1972	117,862	1,186	47,682	166,730	36,134	3,201	5,126	104	44,565	-626	121,539
1973	121,539	1,039	49,194	171,772	34,102	2,404	6,487	273	43,266	-718	127,788
1974	127,788	568	50,873	179,229	37,353	3,175	6,110	204	46,842	-359	132,028
1975	132,028	389	50,183	182,600	41,464	5,406	6,992	196	54,058	-562	127,980
1976	127,980	984	47,440	176,404	43,199	5,527	5,190	205	54,121	+527	122,810
1977	122,810	1,133	46,088	170,031	42,381	5,692	6,000	107	54,180	+524	116,375
1978	116,375	1,253	43,839	161,467	39,970	4,302	5,800	122	50,194	-529	110,864
1979[1]	110,864	732	42,752	154,348	34,005	2,927	5,600	166	42,598		110,961
1980[1]	110,961	650	45,525	157,136	33,625	2,500	5,400	125	41,650		114-116

[1] Forecast.

July 1 feeder cattle supply

Item	1975	1976	1977	1978	1979	1980	1980/79[3]
Calves under 500 lb.							
On farms	42,793	39,370	38,331	34,805	33,793	35,966	+6
On feed[1]	406	442	535	688	580	389	-33
Feeder supply	42,387	38,928	37,796	34,117	33,213	35,577	+7
Steers and heifers over 500 lb.[2]							
On farms	24,981	27,121	27,164	26,629	24,604	24,230	-2
On feed[1]	8,563	10,052	9,704	10,756	10,159	9,591	-6
Feeder supply	16,418	17,069	17,460	15,873	14,445	14,639	+1
Total feeder supply	58,805	55,997	55,256	49,990	47,658	50,216	+5

[1] Estimated U.S. steers and heifers. [2] Not including heifers for cow replacements. [3] Percent change from 1979.

placed on feed in 1980 as increased nonfed slaughter reduces supplies to increased calf placements in early 1981. This shift will extend the length of the feeding period.

Feedlot Placements Increase

Cattle feeding margins continue negative but feeders should begin to turn a profit in late summer and early fall. As profits return, easing the cash flow burden of most cattle feeders, feedlot placements are expected to exceed year-earlier levels. For the remainder of the year and into 1981, feedlot placements will likely exceed the year-earlier levels. However, feeder cattle and feed grain prices have increased since June. Further increases in grain prices could slow the rate of feeder cattle placements and/or place additional downward pressure on feeder cattle prices this fall and winter.

The North Central States continued to increase placements above year-earlier levels during the second quarter, but placements in the commercial feeding areas remained below a year-ago until July. Continual negative feeding margins undoubtedly restricted the commercial feeding industry's capital flow through mid-year. Placements in May in the 7 States reporting monthly were 13 percent below year-earlier levels but Iowa placements were up 26 percent. In June, 7 State placements were down 8 percent but placements in Iowa and Nebraska increased 18 and 14 percent, respectively. Increased placements in the North Central region may indicate a movement back towards marketing more grain through livestock and also proximity to the Northern Plains drought area.

7 States Cattle on Feed, Placements, and Marketings

Year	On feed	Change, previous year	Net placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1977						
May . . .	7,197	-4.2	1,335	+8.9	1,479	+0.6
June . .	7,053	-3.0	1,367	+7.0	1,546	+5.3
July . . .	6,874	-2.9	1,439	+29.3	1,442	-5.2
Aug. . .	6,871	+3.0	1,453	+7.2	1,598	+0.6
Sept. . .	6,726	+4.5	1,762	+8.9	1,530	+3.5
Oct. . . .	6,958	+5.8	2,771	+25.1	1,589	+6.6
Nov. . .	8,140	+11.5	1,915	-5.7	1,488	+11.6
Dec. . . .	8,567	+7.1	1,965	+16.5	1,605	+9.0
1978						
Jan. . . .	8,927	+8.7	1,437	+13.9	1,750	+9.2
Feb. . . .	8,614	+9.4	1,338	+7.0	1,676	+7.0
Mar. . . .	8,276	+9.5	1,654	+15.3	1,678	-1.9
Apr. . . .	8,262	+13.5	1,300	-11.6	1,701	+9.5
May . . .	7,861	+9.2	1,825	+36.7	1,673	+13.1
June . .	8,013	+13.6	1,626	+18.9	1,657	+7.2
July . . .	7,982	+16.1	1,489	+3.5	1,604	+11.2
Aug. . .	7,867	+14.5	1,642	+13.0	1,674	+4.8
Sept. . .	7,835	+16.5	2,352	+33.5	1,646	+7.6
Oct. . . .	8,541	+22.8	2,626	-5.2	1,865	+17.4
Nov. . .	9,302	+14.3	1,730	-9.7	1,717	+15.4
Dec. . . .	9,315	+8.7	1,567	-20.2	1,656	+3.2
1979						
Jan. . . .	9,226	+3.3	1,378	-4.1	1,875	+7.1
Feb. . . .	8,729	+1.3	1,135	-15.2	1,650	-1.6
Mar. . . .	8,214	-0.7	1,419	-14.2	1,685	+0.4
Apr. . . .	7,948	-3.8	1,255	-3.5	1,535	-9.8
May . . .	7,668	-2.5	1,633	-10.5	1,603	-4.2
June . .	7,698	-3.9	1,421	-12.6	1,557	-6.0
July . . .	7,562	-5.3	1,103	-25.9	1,462	-8.8
Aug. . .	7,203	-8.4	1,268	-22.8	1,634	-2.4
Sept. . .	6,837	-12.7	1,962	-16.6	1,384	-15.9
Oct. . . .	7,415	-13.2	2,241	-14.7	1,639	-12.1
Nov. . .	8,017	-13.8	1,690	-2.3	1,438	-16.2
Dec. . . .	8,269	-11.2	1,516	-3.2	1,331	-19.6
1980						
Jan . . .	8,454	-8.4	1,200	-12.9	1,697	-9.5
Feb. . . .	7,957	-8.8	1,051	-7.4	1,565	-5.1
Mar. . . .	7,443	-9.4	1,193	-15.9	1,480	-12.2
Apr. . . .	7,156	-10.0	1,117	-11.0	1,445	-5.9
May . . .	6,828	-11.0	1,394	-14.7	1,369	-14.6
June . .	6,853	-11.0	1,337	-5.9	1,397	-10.3
July . . .	6,793	-10.2	1,440	+30.6	1,346	-7.9

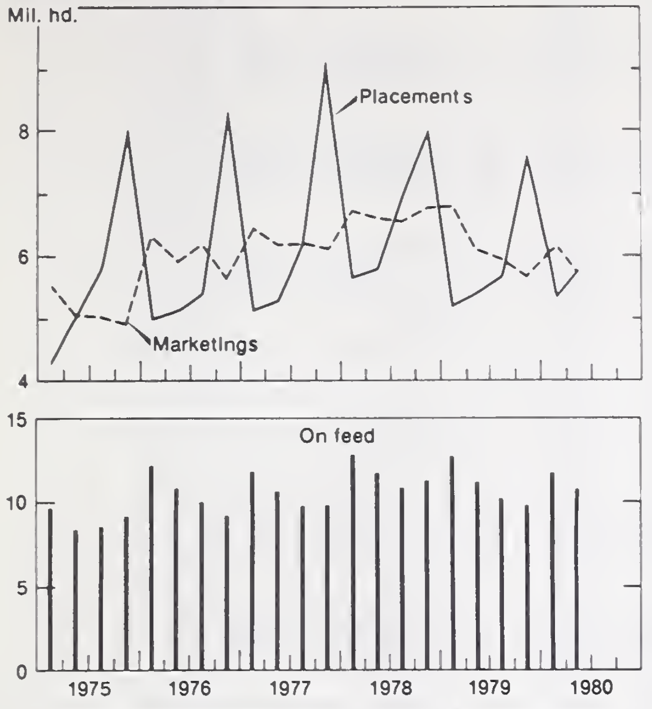
Cattle on feed, placements, and marketing, 23 States

Item	1977	1978	1979	1980	1980/1979
	1,000 head				*% change*
On feed Apr. 1 . . .	10,619	11,741	11,074	10,203	-8
Placements, Apr.-June	6,007	6,558	6,149	5,625	-9
Marketings, Apr.-June	6,147	6,621	6,146	5,620	-9
Other disappearance, Apr.-June . .	714	754	768	589	-23
On feed July 1. . . .	9,765	10,924	10,309	9,619	-7
Steer & steer calves.	6,378	6,858	6,818	6,292	-8
-500 lb.	284	319	321	227	-29
500-699 lb.	1,042	1,168	1,025	915	-11
700-899 lb.	2,370	2,760	2,483	2,247	-2
900-1,099 lb. . . .	2,267	2,238	2,429	2,187	-10
1,100 + lb..	415	373	560	536	-4
Heifers and heifer calves.	3,346	4,012	3,448	3,273	-5
-500 lb	224	335	233	146	-37
500-699 lb.	1,031	1,279	1,057	908	-14
700-899 lb.	1,624	1,831	1,597	1,619	+1
900 + lb	467	567	561	600	+7
Cows	41	54	43	54	+26
Marketing, July-Sept.	6,159	6,523	5,976	[1] 5,751	-4

[1] Intentions.

Net feedlot placement in the 7 States during July increased 33 percent from the very low levels recorded in 1979, but were 3 percent below 1978 levels. Placements in the commercial cattle feeding areas increased sharply. Placements in Iowa slowed, after the large increases recorded in May and June, to only 77 percent of a year ago. Increased placements plus 8 percent fewer marketings during July than a year ago increased the number of cattle on feed to near year-earlier levels on August 1. Cattle on feed inventories met or slightly exceeded 1979 levels in Iowa, Kansas, and Nebraska. Inventories for the 7 States and Texas were both down only 4 percent. These figures reflect the increased incentives to expand feeder cattle placement rates this fall and into 1981.

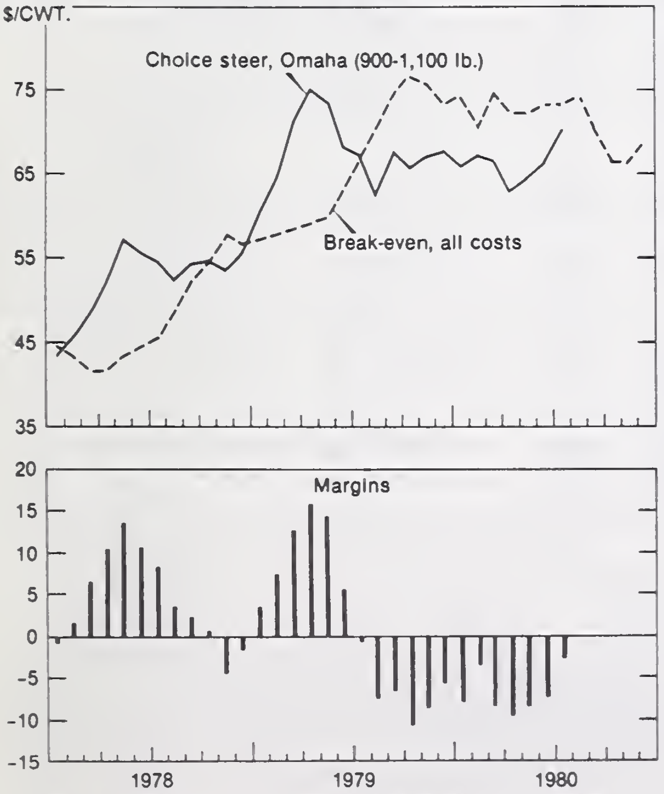
The July 1 quarterly cattle on feed report provides the first strong view on second half 1980 marketings. Cattle and calves on feed July 1, 1980 in the 23 major cattle feeding States were 7 percent below a year earlier—the lowest July 1 cattle on feed inventory since 1975. Cattle placed on feed during the second quarter were 9 percent below year-earlier lev-



Cattle on Feed, Net Placements and Marketings, 23 States

USDA Neg. ESCS 3001-80 (s)

els. Net placements were down only 6 percent because of sharply reduced movement of cattle back to pasture from feedlots—other disappearance. Fed cattle marketings were 9 percent below the year earlier.



Steer Prices, Costs, and Net Margins

Selling price required to cover costs of feeding 600 lb. feeder steer to 1,050 lb. slaughter in corn belt.

USDA Neg ESCS 2722-80 (s)

Cattle feeders indicated in the July 1 survey that they intend to market nearly 5.8 million fed cattle in the third quarter—4 percent below 1979. However, heavier weight feeder cattle continued to be placed on feed and these expectations are not likely to be met. Steers and heifers on feed July 1, weighing less than 500 pounds were 29 and 37 percent below a year ago. The only weight groups of cattle above year-earlier levels were heifers weighing 700 pounds and heavier—up 3 percent. These figures indicate that larger numbers of cattle were placed on feed at heavier weights during the second quarter from the sizable supply of yearling feeder cattle. Monthly information for the 7 primary feeding States provide additional information on likely third quarter marketing patterns. This information indicates that the rate of placement increased toward the previous year's levels as the second quarter progressed. A larger proportion of the second quarter placements were apparently made later in the quarter.

Consequently, later placements of heavier weight feeder cattle, the recent history of slower movement out of feedlots of cattle placed at heavier weights,

Steer prices, costs, and net margins[1]

Year	Steers Omaha	Feed & Feeder	Break-even	Net margin
	$ per cwt.			
1977				
July	40.94	38.50	44.41	-3.47
August	40.11	39.28	45.31	-5.20
September .	40.35	40.01	46.10	-5.75
October . . .	42.29	41.46	47.65	-5.36
November . .	41.83	40.77	47.04	-5.21
December . .	43.13	38.88	45.09	-1.96
1978				
January	43.62	38.04	44.27	-0.65
February . . .	45.02	36.92	43.12	+1.90
March	48.66	35.76	41.92	+6.74
April	52.52	35.80	41.95	+10.57
May	57.28	37.34	43.54	+13.74
June	55.38	38.57	44.82	+10.56
July	54.59	40.01	46.42	+8.17
August	52.40	42.03	48.70	+3.70
September .	54.26	45.20	52.04	+2.22
October . . .	54.93	47.74	54.71	+0.22
November . .	53.82	50.83	57.91	-4.09
December . .	55.54	49.63	56.66	-1.12
1979				
January	60.35	49.92	57.02	+3.33
February . . .	64.88	50.59	57.81	+7.07
March	71.04	50.97	58.26	+12.78
April	75.00	51.72	59.04	+15.96
May	73.99	52.43	59.80	+14.19
June	68.53	55.33	62.88	+5.65
July	67.06	58.73	66.79	+0.27
August	62.74	61.90	70.39	-7.65
September .	67.84	66.14	74.93	-7.09
October . . .	65.81	68.02	77.02	-11.09
November . .	67.00	68.31	76.30	-9.30
December . .	67.72	64.70	73.40	-5.62
1980				
January	66.32	66.02	74.82	-8.50
February . . .	67.44	62.70	71.32	-3.88
March	66.80	66.40	75.27	-8.47
April	63.07	64.08	72.84	-9.77
May	64.58	63.95	72.96	-8.38
June	66.29	64.37	73.42	-7.13
July	70.47	63.91	73.39	-2.92
August.		64.92	74.57	
September . .		61.30	70.73	
October. . . .		56.66	66.47	
November . .		56.76	66.54	
December . .		59.09	69.07	
1981				
January		60.98	70.38	

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[1] Selling price required to cover costs of feeding 600 lb. feeder steer to 1,050 lb. slaughter in Corn Belt.

Great Plains Custom cattle feeding[1]

Purchased during Marketed during	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 80	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan.81
									Dollars per head								
Expenses:																	
600 lb. feeder steer	528.66	541.56	515.40	454.44	474.00	456.78	485.28	470.58	484.68	485.10	477.78	495.72	466.86	408.30	411.48	414.72	427.98
Transportation to feedlot (300 mi)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:																	
Milo (1,500 lb.)	60.60	62.25	64.95	73.95	80.10	71.85	71.25	70.50	69.60	69.15	65.55	68.10	65.40	66.45	71.25	74.85	82.35
Corn (1,500 lb.)	72.15	75.45	79.65	86.55	90.75	84.75	81.75	80.55	80.55	80.55	75.45	74.70	71.10	72.90	77.40	85.80	94.35
Cottonseed meal (400 lb.)	44.00	42.40	42.40	41.60	43.20	44.00	44.40	45.20	46.80	50.00	50.80	49.20	48.40	46.00	46.00	44.00	42.00
Alfalfa hay (800lb.)	43.20	44.20	41.00	41.00	40.40	39.80	39.60	40.80	42.60	44.60	43.60	44.00	43.20	42.40	42.20	40.60	41.40
Total feed cost	219.95	224.30	228.00	243.10	254.45	240.40	237.00	237.05	239.55	244.60	235.40	236.00	228.10	227.75	236.85	245.25	260.10
Feed handling & management Charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feed & ½ feed	33.53	34.32	33.04	30.24	31.56	31.73	35.47	37.56	39.29	39.48	45.41	48.33	52.28	54.83	49.02	41.64	37.67
Death loss (1.5% of purchase)	7.93	8.12	7.73	6.82	7.10	6.85	7.23	7.06	7.27	7.28	7.17	7.44	7.00	6.12	6.17	6.22	6.42
Marketing[2]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B
Total	821.03	839.26	815.13	765.56	798.07	766.72	795.94	783.21	801.75	807.42	796.72	818.45	785.20	727.96	734.48	738.79	763.13
									Dollars per cwt.								
Selling price required to cover[3]																	
Feed and feeder cost (1,056 lb.)	70.89	72.52	70.40	66.05	68.98	66.02	68.40	67.01	68.58	69.10	67.54	69.29	65.81	60.23	61.40	62.49	65.16
All costs	77.75	79.48	77.19	72.50	75.57	72.61	75.37	74.17	75.92	76.46	75.45	77.50	74.36	68.94	69.55	69.96	72.27
Selling price $/cwt[4]	68.80	65.49	68.15	69.66	67.17	68.80	67.75	64.92	67.32	68.42	72.05						
Net margin/cwt.	-8.95	-13.99	-9.04	-2.84	-8.40	-3.81	-7.62	-9.25	-8.60	-8.04	-3.40						
Cost per 100 lb. grain:																	
Variable costs less interest	50.38	51.28	51.95	5478	57.11	54.25	53.65	53.62	54.16	55.18	53.31	53.49	51.82	51.57	53.40	55.09	58.10
Feed costs	42.99	44.86	45.60	48.62	50.89	48.08	47.40	47.41	47.91	48.92	47.08	47.20	45.62	45.55	47.37	49.05	52.02
Unit Prices:																	
Choice feeder steer 600-700 lb. Amarillo $/cwt.	88.11	90.26	85.90	75.74	79.00	76.13	80.88	78.43	80.78	80.85	79.63	82.62	77.81	68.05	68.58	69.12	71.33
Transportation rate $/cwt/100 miles[5]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt.[6]	4.04	4.15	4.33	4.93	5.34	4.79	4.75	4.70	4.64	4.61	4.37	4.54	4.36	4.43	4.75	4.99	5.49
Corn $/cwt.[6]	4.81	5.03	5.31	5.77	6.05	5.65	5.45	5.37	5.37	5.39	5.03	4.98	4.74	4.86	5.16	5.72	6.29
Cottonseed meal $/cwt.[7]	11.00	10.60	10.60	10.40	10.80	11.00	11.10	11.30	11.70	12.50	12.70	12.30	12.10	11.50	11.50	11.00	10.50
Alfalfa hay $/ton[8]	108.00	110.50	102.50	102.50	101.00	99.50	99.00	102.00	106.50	111.50	109.00	110.00	108.00	106.00	105.50	101.50	103.50
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	10.50	10.50	10.50	10.50	10.50	11.00	11.75	12.75	13.00	13.00	15.25	15.75	18.00	21.00	18.50	15.50	13.50

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[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb. in 180 days at 2.8 lb per day with feed conversion of 8.4 lb. per pound gain. [2] Most cattle sold F.O.B. the feedlot with 4 percent shrink. [3] Sale weight 1,056 pounds (1,100 pounds less 4 percent shrink). [4] Choice slaughter steers, 900-1,100 lb., Texas-New Mexico direct. [5] Converted from cents per mile for a 44,000 pound haul. [6] Texas Panhandle elevator price plus $.15/cwt. handling and transportation to feedlots. [7] Average prices paid by farmers in Texas. [8] Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Table 3—Corn Belt cattle feeding

Selected expenses at current rates[1]

Purchased during Marketed during	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 80	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 81
	Dollars per head																
Expenses:																	
600 lb. feeder steer	523.50	539.88	529.92	493.14	494.88	475.86	512.04	487.74	494.64	496.80	483.72	499.08	465.72	419.22	415.08	433.50	439.92
Transportation to feedlot (400 mile)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	95.85	101.25	104.40	111.15	122.40	110.70	110.25	105.75	101.70	102.15	109.80	105.30	103.05	103.05	108.00	112.95	122.85
Silage (1.7 tons)	33.66	32.63	34.17	35.44	35.85	33.81	34.65	37.54	34.15	34.73	36.24	35.45	34.54	33.26	33.44	34.60	36.47
Protein supplement (270 lb.)	30.38	29.84	28.76	29.84	31.18	28.76	30.38	30.78	30.38	31.19	30.24	30.78	29.57	29.57	30.11	29.97	31.59
Hay (400 lb.)	11.10	10.65	10.30	9.75	8.90	9.20	9.85	11.00	10.65	11.00	11.05	11.10	10.75	9.85	9.30	9.45	9.45
Labor (4 hours)	13.16	13.16	12.80	12.80	12.80	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20
Management[2]	6.58	6.58	6.40	6.40	6.40	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Vet medicine[3]	3.88	3.93	3.96	3.97	4.01	4.00	4.05	4.09	4.10	4.14	4.29	4.33	4.38	4.38	4.40	4.44	4.47
Interest on purchase (6 mo.)	26.54	28.24	27.72	25.79	26.78	25.75	27.70	28.46	28.86	28.99	32.70	33.74	31.48	35.89	35.53	37.11	30.75
Power, equip, fuel, shelter, depreciation[3]	18.11	18.35	18.46	18.52	18.70	18.68	18.90	19.07	19.11	19.29	20.01	20.21	20.43	20.45	20.52	20.69	20.87
Death loss (1% of purchase)	5.24	5.40	5.30	4.93	4.95	4.76	5.12	4.88	4.95	4.97	4.84	4.99	4.66	4.19	4.15	4.34	4.40
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs[3]	7.83	7.93	7.98	8.01	8.09	8.08	8.17	8.25	8.27	8.34	8.66	8.74	8.84	8.84	8.87	8.95	9.02
Total	783.79	804.83	797.24	767.08	781.37	744.50	785.69	760.29	759.45	764.21	770.59	782.96	742.66	697.94	698.64	725.24	739.03
	Dollars per cwt.																
Selling priec/cwt. required to cover feed and feeder costs (1,050 lb.)	66.14	68.02	67.39	64.70	66.02	62.70	66.40	63.89	63.95	64.37	63.91	64.92	61.30	56.66	56.76	59.09	60.98
Selling price/cwt. required cover all costs (1,050 lb.)	74.65	76.65	75.93	73.06	74.42	70.90	74.83	72.22	72.33	72.78	73.39	74.57	70.73	66.47	66.54	69.07	70.38
Feed costs per 100 lb. gain	38.00	38.75	39.47	41.37	44.07	40.55	41.14	40.69	39.31	39.79	41.63	40.58	39.54	39.05	40.19	41.55	44.52
Choice steers, Omaha	67.84	65.81	67.00	68.72	66.32	67.44	66.80	63.07	64.58	66.29	70.47						
Net margin/cwt.	-6.81	-10.84	-8.93	-4.34	-8.10	-3.46	-8.03	-9.15	-7.75	-6.49	-2.92						
Prices:																	
Feeder steer Choice (600-700 lb. Kansas City/ cwt.)	87.25	89.98	88.32	82.19	82.48	79.31	85.34	81.29	82.44	82.80	80.52	83.18	77.62	69.87	69.18	72.25	73.32
Corn/bu.	2.13	2.24	2.32	2.47	2.72	2.46	2.45	2.37	2.26	2.27	2.44	2.34	2.29	2.29	2.40	2.51	2.73
Hay/ton[4]	55.50	53.25	51.50	48.75	44.50	46.00	49.25	55.00	53.25	55.01	55.25	55.50	53.75	49.25	46.50	47.25	47.25
Corn silage/ ton[5]	19.80	19.19	20.10	20.85	21.09	19.89	20.38	20.93	20.09	20.43	21.32	20.85	20.32	19.57	19.67	20.35	21.45
32-36% Protein supp./cwt.[6]	11.25	11.05	10.65	11.05	11.55	10.65	11.25	11.40	11.25	11.55	11.20	11.40	10.95	10.95	11.15	11.10	11.70
Farm Labor/hour	3.29	3.29	3.20	3.20	3.20	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05
Interest annual rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	13.52	13.52	13.52	17.12	17.12	17.12	13.98
Transportation rate/cwt. 100 mile	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	3.35	3.35	3.35	3.35	3.35	.3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	826	837	842	845	853	852	862	870	872	880	913	923	933	933	936	944	952

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derved from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illinois. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

and somewhat slower feedlot gains because of the high temperatures this summer will likely slow the 23 State marketing rate to near a slightly below the 5.6 million head level of the second quarter. The marketing rate will likely increase later in the quarter.

Feedlot marketings in the fourth quarter are expected to approach year-earlier quarter levels of 5.7 million head. Increased placements beginning this summer and fall despite higher feeding costs will provide year-to-year marketing increases through much of 1981.

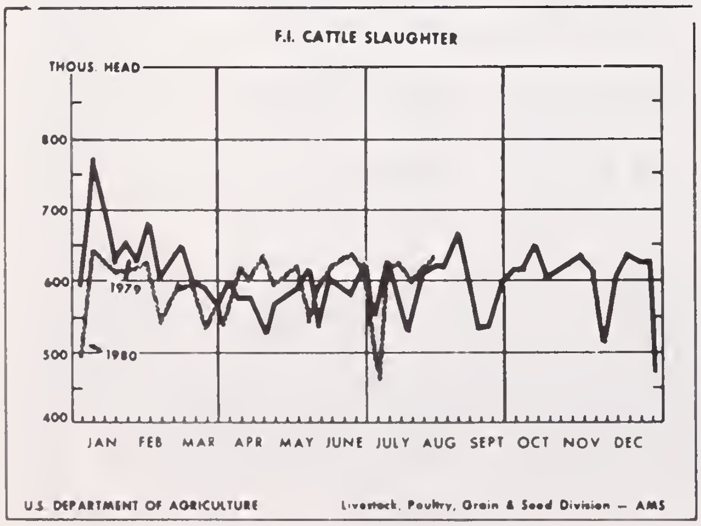
Feeder steer prices consistent with break-even, given corn and fed steer prices[1]

Corn (farm price)	Choice steers, $/cwt.					
	60	65	70	75	80	85
	Feeder steers, $/cwt.					
$/bu.						
2.00. . .	62	71	79	88	97	106
2.25. . .	60	68	77	86	95	104
2.50. . .	57	66	75	84	93	101
2.75. . .	55	64	73	82	90	99
3.00. . .	53	62	71	79	88	97
3.25. . .	51	60	68	77	86	95
3.50. . .	49	58	66	75	84	93
3.75. . .	47	55	64	73	82	91
4.00. . .	44	52	61	70	79	88
4.25. . .	42	50	59	68	77	85

[1] Assuming all other costs at July 1980 levels. (See Great Plains custom cattle feeding table).

Beef Production To Approach Second Half 1979 Levels

Commercial cattle slaughter through the first half of 1980 was 4 percent below year-earlier levels—a decline of 600,000 head. Beef production was reduced only 1 percent as average commercial dressed weights increased from 627 pounds in 1979 to 643 pounds in 1980. Cow slaughter declined by 100,000 head (4 percent) and heifer slaughter declined by 300,000 head (6 percent) both contributing to the increased July 1 inventories and calf crop expansion. Steer slaughter declined by 250,000 herd (3 percent), while bull and stag slaughter increased 19 percent but only 50,000 head. Nonfed steer and heifer slaughter was large in the second quarter as increased numbers came to market late in the quarter. Nonfed steer and heifer slaughter increased from about 157,000 head in second-quarter 1979 and only 127,000 head in the first quarter of 1980 to about 781 thousand in the second quarter of this year.



U.S. DEPARTMENT OF AGRICULTURE Livestock, Poultry, Grain & Seed Division — AMS

Federally inspected cattle slaughter

Week ended 1979[1]	Cattle		Steers		Cows	
	1979	1980	1979	1980	1979	1980
	Thousands					
Jan. 6	599	491	312	257	102	101
13	775	643	394	334	147	131
20	712	640	372	337	125	122
27	637	608	334	327	113	104
Feb. 3	651	610	340	324	112	104
Feb. 10	630	614	325	328	115	106
11	678	623	373	331	113	107
24	600	541	316	292	100	98
Mar. 3	633	575	329	313	111	99
Mar. 10	649	596	344	327	109	94
17	599	594	308	320	112	100
24	593	527	320	282	102	96
31	568	560	298	303	103	99
Apr. 7	591	538	320	305	101	86
14	575	553	314	307	397	192
21	574	608	301	325	102	105
28	527	597	263	312	107	103
May 5	567	614	293	325	103	101
12	581	589	304	313	99	97
19	586	605	311	311	103	99
26	614	611	339	321	98	104
June 2	534	544	286	302	90	89
June 9	604	593	326	319	98	93
16	586	610	321	325	86	98
23	576	618	304	315	97	111
30	623	603	337	309	102	105
July 7	546	473	294	257	82	82
14	626	617	313	328	114	107
21	571	622	287	307	95	118
28	527	599	281	298	78	103
Aug. 4	606	603	316	291	94	116
11	614		325		93	
18	614		322		90	
25	660		335		103	
Sept. 1	609		303		102	
Sept. 8	531		272		80	
15	631		311		107	
22	594		301		104	
29	611		305		109	
Oct. 6	614		301		106	
13	647		333		109	
20	612		294		118	
27	612		299		114	
Nov. 3	617		298		115	
Nov. 10	633		308		122	
17	612		288		134	
24	510		253		103	
Dec. 1	603		292		136	
Dec. 8	632		315		135	
15	625		317		124	
22	628		319		128	
29	456		245		80	

Continued large nonfed steer and heifer slaughter, from the sizeable feeder cattle supply, and seasonal increases in cow slaughter will help maintain beef production near to slightly above year-earlier levels. This large nonfed steer and heifer slaughter is expected to continue through the winter quarter before tapering off in the spring as the grazing season begins. Cow slaughter is expected to increase this summer and fall. The mild winter last year resulted in reduced cow slaughter. The fact that a number of older cows have been retained in the herd over the past couple of years, along with the dryer weather in many areas, enhances the likelihood of seasonally increased cow slaughter. For the year, nonfed steer and heifer slaughter may exceed the year-earlier level by a million head and cow slaughter may be above last year's levels, particularly in the third quarter.

Cattle Prices on the Rise

A slowing economy and a 4-percent increase in total red meat and poultry consumption resulted in price declines in the second quarter. Cattle prices have rebounded from the sharply lower levels in the second quarter. The greatest declines in the economy occurred in the second quarter, but while real incomes are expected to continue declining in the third quarter, though at a much slower rate, nominal incomes are expected to increase at a faster pace.

Declines in broiler production in the second half of this year and a slower rate of increase in pork production will reduce competition with beef. Beef production is expected to be near or slightly above year-earlier levels in the third and fourth quarters and pork production should decline below levels of a year ago late in the fourth quarter. Total red meat and poultry supplies will fall below year-earlier levels in the fourth quarter and through much of 1981, despite increased beef production. Fed beef prices will be bolstered late in the fourth quarter and in 1981 as demand forces improve and supplies of competing meats decline. Increased nonfed slaughter through the winter quarter will help moderate price increases for fed beef as well as for hamburger and processed meats.

Choice steer prices at Omaha averaged $64.65 per cwt. in the second quarter and are expected to average in the lower- to mid-$70's the remainder of this year. Prices will show the greatest strength toward the end of the year and into 1981. Continued drought and further increases in nonfed slaughter could cause a higher level of beef production this summer and fall, resulting in lower second half beef prices than currently expected. This could provide greater strength to cattle prices in 1981 as feeder cattle supplies would not be as large due to fewer feeder cattle being carried through the winter on pasture.

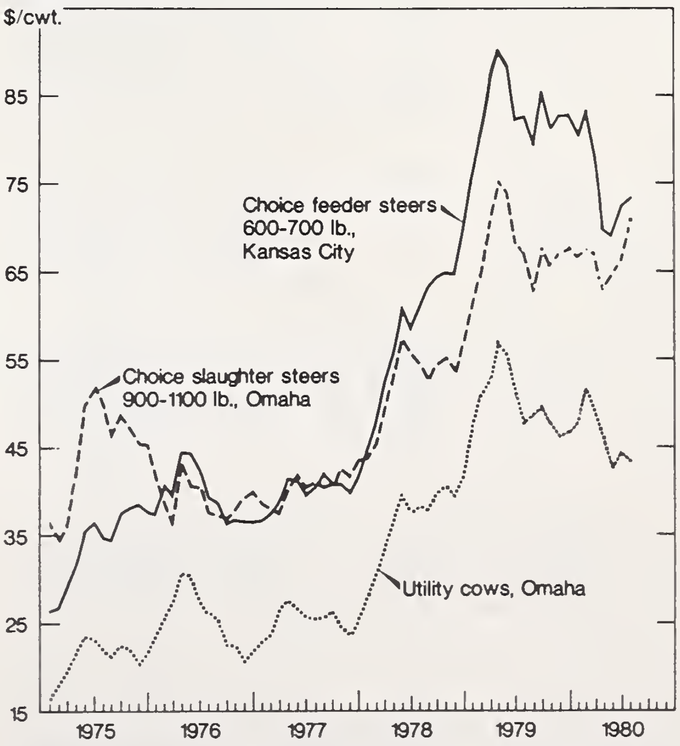
Yearling feeder cattle prices at Kansas City are expected to average near $75 in the third quarter, a $5 increase over the second quarter average. Prices are expected to remain near $75, or possibly lower if feeder cattle marketings become bunched in the fall quarter. Improved feeding margins tighter feeder cattle supplies, particularly if fall grazing prospects improve, could add to feeder cattle price strength. However, further increases in feeding costs, particularly feed grains, could hold down feeder cattle price gains.

Utility cow prices will continue to be affected by larger supplies of competing meats during the third quarter and early in the fourth quarter. However, seasonal declines in hog slaughter have added strength to hamburger and processed meat prices this summer. Utility cow prices were averaging in the mid $40s in early August. Increased strength in feeder cattle prices, should fall grazing prospects improve, reducing nonfed slaughter could add further strength to cow prices as will declining pork and broiler production levels as 1980 progresses.

Utility cow prices per 100 pounds, Omaha

Month	1974	1975	1976	1977	1978	1979	1980
	Dollars						
January. . .	31.45	16.82	23.26	22.95	27.59	47.33	47.94
February . .	32.65	18.18	25.90	23.88	30.34	50.81	51.22
March. . . .	31.76	19.45	27.45	26.67	32.44	52.94	48.80
April	30.50	21.67	30.72	27.63	36.94	57.00	45.73
May.	27.67	23.55	30.24	26.57	39.21	55.51	42.78
June	26.39	23.32	27.47	25.64	37.61	50.60	44.06
July.	24.22	22.00	25.80	25.23	38.09	47.80	43.33
August . . .	24.54	21.29	25.10	25.38	37.85	48.33	
September .	22.56	22.45	22.90	26.12	39.75	49.65	
October . .	19.68	22.01	22.72	24.89	40.46	47.71	
November .	17.62	20.73	20.59	23.80	39.30	46.49	
December .	17.67	21.64	21.60	25.02	41.85	46.98	
Average .	25.56	21.09	25.31	25.32	36.79	50.10	

Cattle Prices



USDA

Neg. ESCS 951-80 (8)

Choice steer prices per 100 pounds, Omaha[1]

Month	1974	1975	1976	1977	1978	1979	1980
	Dollars						
January. . .	47.14	36.34	41.18	38.38	43.62	60.35	66.32
February . .	46.38	34.74	38.80	37.98	45.02	64.88	67.44
March. . . .	42.85	36.08	36.14	37.28	48.66	71.04	66.80
April	41.53	42.80	43.12	40.08	52.52	75.00	63.07
May.	40.52	49.48	40.62	41.98	57.28	73.99	64.58
June	37.98	51.82	40.52	40.24	55.38	68.53	66.29
July.	43.72	50.21	37.92	40.94	54.59	67.06	70.47
August . . .	46.62	46.80	37.02	40.11	52.40	62.74	
September .	41.38	48.91	36.97	40.35	54.26	67.84	
October . .	39.64	47.90	37.88	42.29	54.93	65.81	
November .	37.72	45.23	39.15	41.83	53.82	67.00	
December .	37.20	45.01	39.96	43.13	55.54	67.72	
Average. . .	41.89	44.61	39.11	40.38	52.34	67.75	

[1] 900-1,100 lb.

Veal supplies and prices

	Commercial			Per capita[1]	Prices		
	Slaughter	Av. dr. wt.	Production		Retail	Choice vealers So. St. Paul	Farm
	1,000 head	*Lb.*	*Mil. lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	*$/cwt.*
1975							
I . . .	1,068	155	166	.9	183.4	38.68	24.40
II . . .	1,137	160	182	.9	182.1	42.18	28.37
III . .	1,449	160	232	1.2	182.1	37.56	26.67
IV . .	1,555	159	247	1.2	177.0	43.33	28.30
Year . .	5,209	159	827	4.2	181.1	40.44	27.20
1976							
I . . .	1,370	150	206	1.0	173.8	50.84	33.13
II . . .	1,195	149	178	.9	174.3	44.01	38.23
III . .	1,349	152	205	1.0	174.9	38.62	34.00
IV . .	1,436	156	224	1.1	170.1	47.24	32.63
Year . .	5,350	152	813	4.0	173.3	45.18	34.20
1977							
I . . .	1,438	140	201	1.0	177.7	53.42	35.23
II . . .	1,304	143	187	.9	178.9	53.13	37.47
III . .	1,380	149	205	1.0	181.1	44.90	37.17
IV . .	1,395	144	201	1.0	183.3	41.33	37.17
Year . .	5,517	144	794	3.9	180.3	48.19	36.90
1978							
I . . .	1,251	142	178	.9	179.9	43.95	45.30
II . . .	1,006	148	149	.7	195.9	73.33	57.30
III . .	966	144	139	.7	225.9	80.21	62.57
IV . .	947	141	134	.7	236.1	79.47	68.57
Year	4,170	144	600	3.0	209.5	69.24	59.10
1979							
I . . .	807	140	113	.5	251.3	89.90	86.97
II . . .	631	155	98	.5	285.5	103.05	96.67
III . .	676	146	99	.5	293.8	92.57	89.47
IV .	710	141	100	.5	298.3	80.12	85.83
Year	2,824	145	410	2.0	282.3	91.14	88.80
1980							
I . . .	661	138	91	.4	303.8	71.58	86.53
II . . .	571	156	89	.4	310.5	72.49	75.13

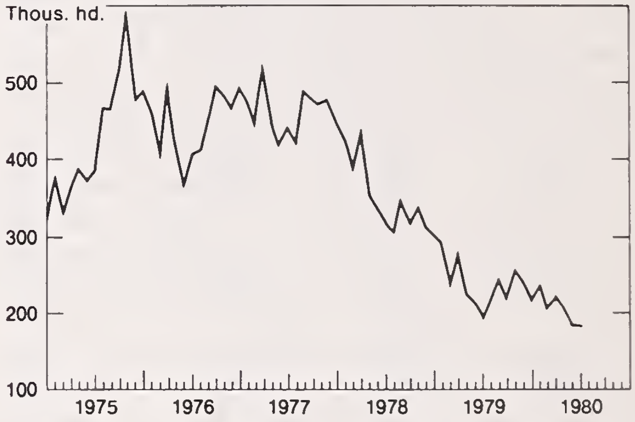
[1] Total, including farm production. [2] Annual is weighted average. [3] Preliminary.

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.			Choice feeder steer calves[1]		
	1978	1979	1980	1978	1979	1980
	Dollars					
Jan.	44.07	75.29	80.52	46.15	85.19	91.64
Feb.	47.60	80.26	83.18	51.78	94.70	98.08
Mar.	52.00	87.25	77.62	57.64	101.04	90.39
Apr.	55.08	89.98	69.87	61.10	105.62	83.99
May	60.36	88.32	69.18	68.17	106.88	81.00
June	58.56	82.19	72.25	67.00	96.38	79.65
July	60.60	82.48	73.32	68.42	98.72	77.12
Aug.	63.08	79.31		71.61	98.39	
Sept.	64.46	85.34		74.51	104.29	
Oct.	64.88	81.29		72.30	94.04	
Nov.	64.85	82.44		73.03	92.99	
Dec.	69.83	82.80		78.27	93.84	
Av.	58.78	83.08		65.83	97.66	

[1] 400-500 lbs.

Commercial Calf Slaughter



USDA Neg. ESCS 942-80 (8)

HOGS

Hog prices rose during July and early August as slaughter remained below year-earlier levels. Hog prices at Omaha increased from $43 per cwt. in early July to almost $50 in mid August. However, hog slaughter is expected to increase later this summer, both from the levels that occurred during July and early August and from a year earlier, resulting in lower hog prices by the end of the quarter.

Hog slaughter under Federal Inspection (F.I.) during the first 6 weeks of the third quarter declined 3.5 percent from year-earlier levels. This decline occurred even though the June 1 inventory of hogs normally marketed during July was estimated to be 7 percent larger than a year earlier. This apparent "disappearance" of market hogs could have been caused by several factors.

First, the mild winter weather this year, in contrast with the harsh winter of a year earlier, likely improved the daily gains of the September-November

Hog prices, costs, and net margins[1]

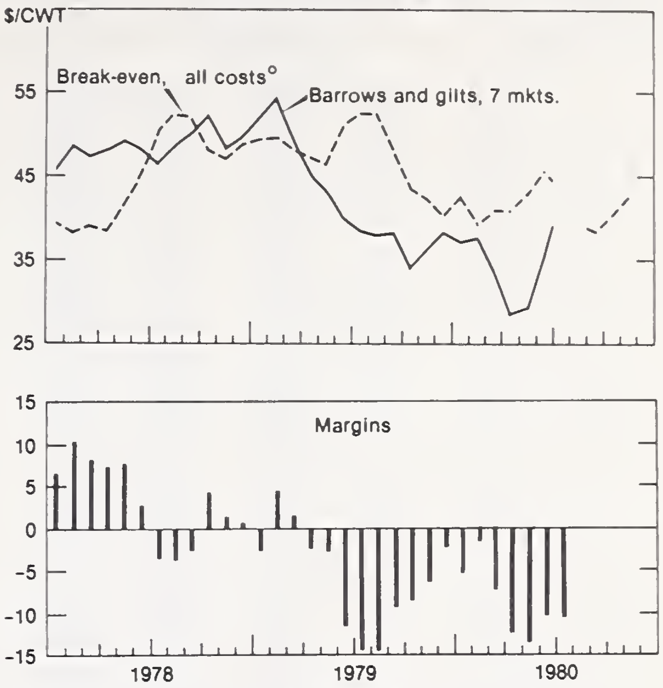
Year	Barrows & gilts 7 markets	Feed and Feeder	Break-even	Net margins
	$ per cwt.			
1977				
March	37.53	27.23	34.14	+3.39
April	36.97	30.41	37.42	-.45
May	41.79	30.75	37.83	+3.96
June	43.86	34.91	42.43	+1.43
July	45.76	37.99	45.70	+.06
August	44.38	39.89	47.71	-3.33
September	41.40	39.25	47.21	-5.81
October	40.83	35.71	43.48	-2.65
November	39.33	34.15	41.96	-2.63
December	43.99	33.45	41.22	+2.77
1978				
January	45.99	31.89	39.58	+6.41
February	48.83	30.64	38.25	+10.58
March	47.50	31.63	39.31	+8.19
April	46.04	31.00	38.62	+7.42
May	49.17	33.44	41.33	+7.85
June	48.31	36.97	45.40	+2.91
July	46.78	41.37	50.09	-3.31
August	48.77	43.88	52.71	-3.94
September	50.00	43.58	52.26	-2.26
October	52.23	39.60	48.01	+4.22
November	48.36	38.71	47.12	+1.24
December	49.57	40.35	49.02	+.55
1979				
January	52.13	40.85	49.63	+2.50
Febuary	54.42	41.04	49.79	+4.63
March	49.38	39.56	48.27	+1.11
April	45.04	38.58	47.23	-2.19
May	43.79	37.67	46.43	-2.64
June	40.29	42.60	52.18	-11.89
July	38.73	43.17	52.85	-14.12
August	38.21	42.73	52.39	-14.18
September	38.62	38.58	47.83	-9.21
October	34.70	34.49	43.38	-8.68
November	36.01	33.58	42.32	-6.31
December	38.45	32.30	40.90	-2.45
1980				
January	37.49	33.96	42.73	-5.24
February	37.51	30.83	39.45	-1.94
March	33.94	31.98	41.04	-7.10
April	28.86	32.04	41.12	-12.26
May	29.50	33.71	43.13	-13.63
June	35.17	35.87	45.53	-10.36
July	43.16	33.29	43.11	-10.36
August		30.25	39.65	
September		29.33	38.59	
October		30.61	40.00	
November		33.29	42.68	

[1] Selling price required to cover costs of feeding 40-50 lb. feeder pig to 220 lb. slaughter hog in Corn Belt.

and December-February pig crops, resulting in a number of hogs that normally would have been slaughtered in July being slaughtered in June. These improved gains, together with a large increase in the number of sows slaughtered and a decrease in the number of gilts added to the breeding inventory, boosted second-quarter slaughter. Slaughter was up 15 percent from a year earlier, even though the September-November pig crop of the preceding year was only 10 percent larger.

The improved gains left a gap in the number of hogs that would reach market weight in July. This gap was made more acute by the intense heat in the South and Midwest during July. The heat likely reduced daily weight gains and lengthened the feeding period of many hogs.

Hog Prices, Costs, and Net Margins



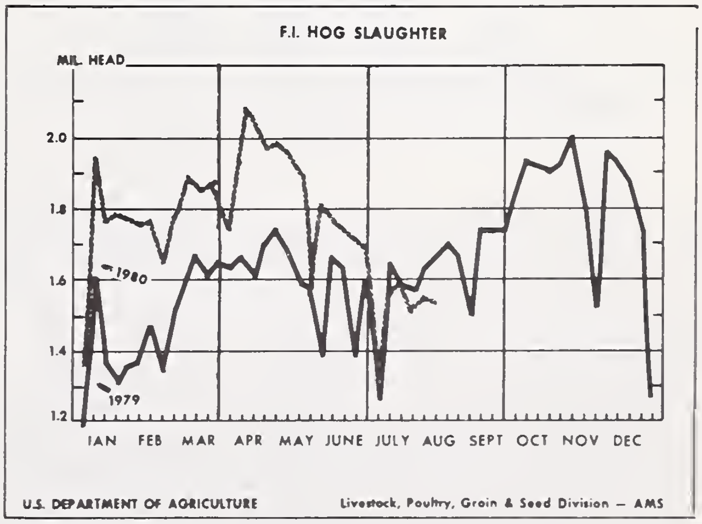
°Selling price required to cover costs of feeding 40-50 lb. feeder pig to 220 lb. slaughter hog in corn belt.

USDA

Neg. ESCS 2704-80 (8)

Furthermore, hog producers in July and August 1979 reacted to declining hog prices and increasing corn prices by marketing hogs at lighter weights. The average liveweight of hogs slaughtered under F.I. declined from a high of 248 pounds in the second week of July to 237 pounds in the second week of August. This early movement of hogs boosted July and August 1979 slaughter 24 percent from 1978 levels even though the inventory of market hogs weighing 120-179 pounds on June 1, 1979 was only 15 percent above a year earlier. But slaughter in September was up just 10 percent.

This year, slaughter is expected to increase in late August and September and exceed year-earlier levels by 4 to 6 percent. This would boost third-quarter slaughter to about 23 million head, 4 percent above a year earlier but 8 percent below the previous quarter.



Fourth-quarter hog slaughter has conventionally been considered to be drawn from the March-May pig crop. But this is not a direct relationship. In fact,

Federally inspected hog slaughter

Week ended 1979[1]	1976	1977	1978	1979	1980
	Thousands				
Jan. 6	1,407	1,399	1,247	1,179	1,377
13	1,326	1,357	1,473	1,625	1,971
20	1,227	1,495	1,376	1,389	1,762
27	1,203	1,344	1,261	1,345	1,785
Feb. 3	1,208	1,388	1,527	1,383	1,777
Feb. 10	1,234	1,520	1,437	1,381	1,769
17	1,168	1,470	1,551	1,488	1,760
24	1,255	1,379	1,348	1,367	1,642
Mar. 3	1,273	1,534	1,424	1,533	1,776
Mar. 10	1,422	1,632	1,579	1,592	1,806
17	1,403	1,568	1,508	1,663	1,898
24	1,383	1,609	1,422	1,607	1,885
31	1,388	1,518	1,452	1,646	1,858
Apr. 7	1,387	1,502	1,508	1,644	1,736
14	1,290	1,488	1,608	1,669	1,919
21	1,271	1,576	1,504	1,609	2,024
28	1,321	1,522	1,588	1,710	2,028
May 65	1,309	1,527	1,498	1,759	1,918
12	1,316	1,439	1,522	1,677	1,972
19	1,197	1,336	1,377	1,598	1,916
26	1,257	1,283	1,329	1,593	1,891
June 2	1,038	1,112	1,138	1,390	1,582
June 9	1,199	1,383	1,377	1,647	1,850
16	1,155	1,298	1,283	1,631	1,747
23	1,103	1,253	1,297	1,398	1,683
30	1,024	1,164	1,266	1,600	1,669
July 7	941	949	1,054	1,269	1,268
14	1,159	1,232	1,378	1,630	1,573
21	1,181	1,214	1,376	1,590	1,600
28	1,265	1,287	1,318	1,595	1,530
Aug. 4	1,342	1,264	1,337	1,638	1,573
11	1,344	1,315	1,367	1,662	1,552
18	1,332	1,342	1,329	1,692	1,597
27	1,401	1,368	1,349	1,664	
Sept. 1	1,350	1,411	1,404	1,673	
Sept. 8	1,227	1,270	1,251	1,509	
15	1,579	1,568	1,579	1,776	
22	1,508	1,590	1,581	1,764	
29	1,593	1,547	1,497	1,771	
Oct. 6	1,647	1,505	1,479	1,870	
13	1,660	1,582	1,533	1,950	
20	1,669	1,597	1,475	1,929	
27	1,599	1,487	1,478	1,909	
Nov. 3	1,729	1,685	1,527	1,935	
Nov. 10	1,706	1,603	1,549	2,016	
17	1,646	1,655	1,651	1,826	
24	1,386	1,308	1,328	1,548	
Dec. 1	1,644	1,623	1,642	1,981	
Dec. 8	1,614	1,462	1,613	1,940	
15	1,522	1,504	1,497	1,851	
22	1,140	1,369	1,489	1,746	
29	1,206	1,187	1,149	1,276	

[1] Corresponding dates: 1975, January 11; 1976, January 10; 1977, January 8; 1978, January 7; January 1, 1979.

the ratio of fourth quarter hog slaughter to the March-May pig crop has changed considerably over the last 10 years. In 1970, fourth-quarter hog slaughter was equivalent to about 78 percent of the March-May pig crop, but in 1979 it was 88 percent. One explanation for this change is that fourth-quarter hog slaughter is drawn not only from the March-May pig crop, but also from a portion of the June-August pig crop. This is a plausible assumption, because pigs born in June should reach market weight before the end of December.

Over the last 10 years, the June-August pig crop has increased relative to the March-May pig crop. In 1970, the June-August pig crop was about 20 percent smaller than the March-May crop, but by 1978 it was only 3 percent smaller. Structural changes since 1970 have increased the number of operations producing hogs on a year-around basis and reduced the seasonal variation in the size of the pig crops. As the June-August pig crop increased relative to the March-May crop, the number of hogs available for slaughter late in the fourth quarter also increased. As a result, the number of hogs slaughtered in the fourth quarter increased in proportion to the March-May pig crop.

Winter pig crop and hog slaughter

Year	Dec.-Feb. pig crop	July-Sept. hog slaughter	Slaughter as percent of pig crop
	1,000 head	*1,000 head*	*Percent*
1970	19,771	20,620	104.3
1971	20,959	22,308	106.4
1972	19,252	19,441	101.0
1973	19,050	16,875	88.6
1974	18,509	19,705	106.5
1975	15,287	15,307	100.1
1976	17,572	17,983	102.3
1977	18,532	18,293	98.7
1978	18,771	18,553	98.8
1979	21,967	22,082	100.5

This year, if June-August farrowing intentions are realized, the June-August pig crop will be about 8 percent less than a year earlier. Consequently, hog slaughter could be down substantially at the end of the year when the pigs born in June are marketed. A reduction in sow slaughter could further decrease hog slaughter in the fourth quarter to near 24.5 million head, down 3 percent from a year earlier. Fourth-quarter hog slaughter would then be equivalent to about 85 percent of the March-May pig crop.

Spring pig crop and hog slaughter

Year	March-May pig crop	Oct.-Dec. hog slaughter	Slaughter as percent of pig crop
	1,000 head	*1,000 head*	*Percent*
1970	32,355	25,270	78.1
1971	30,959	24,264	78.4
1972	28,271	21,618	76.5
1973	27,075	20,218	74.7
1974	26,283	20,894	79.5
1975	20,243	16,813	83.1
1976	24,605	21,549	87.6
1977	24,428	20,497	83.9
1978	23,681	20,315	85.8
1979	28,702	25,237	87.9

Feed Costs Increase Since June

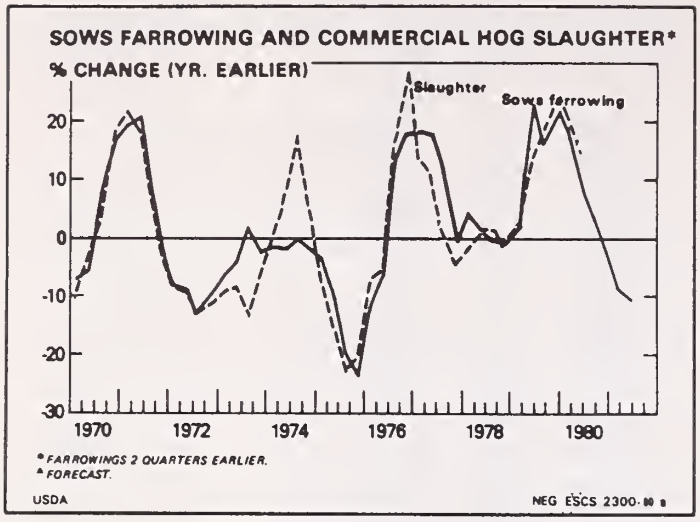
Hog producers have seen a sharp increase in hog prices since April and May, but they have also seen feed costs increase sharply since the beginning of June. Corn prices at Chicago increased from about $2.65 per bushel at the beginning of June to $3.30 in the first week of August. Soybean meal prices also increased sharply: 44-percent meal prices at Decatur

Table 4—Corn Belt hog feeding[1]

Selected costs at current rates[2]

Purchased during	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 80	Feb.	Mar.	Apr.	May	June	July
Marketed during	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 80	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
	Dollars per head															
Expenses:																
40 lb. feeder pig	50.84	40.89	30.11	24.14	25.53	29.30	23.10	26.35	26.08	29.52	34.84	29.97	23.86	20.37	22.24	24.48
Corn (11 bu.)	24.64	25.52	27.17	29.92	27.06	27.39	26.07	24.97	25.96	26.84	25.74	25.19	25.19	26.40	27.61	30.03
Protein supplement (130 lb.)	18.52	18.46	18.59	19.82	18.46	18.46	18.66	17.94	18.53	18.01	18.33	18.07	17.49	17.75	17.49	18.72
Labor & management (1.3 hr.)	8.55	8.32	8.32	8.32	7.93	7.93	7.93	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63
Vet medicine[3]	1.98	1.99	2.00	2.02	2.02	2.04	2.06	2.07	2.09	2.16	2.19	2.21	2.21	2.21	2.24	2.26
Interest on purchase (4 mo.)	1.77	1.43	1.05	.87	.92	1.06	.90	1.03	1.01	1.33	1.57	1.35	1.36	1.16	1.27	1.14
Power, equip, fuel, shelter, depreciation[3]	4.82	4.85	4.87	4.91	4.91	4.97	5.01	5.02	5.07	5.26	5.31	5.37	5.37	5.39	5.44	5.48
Death loss (4% of purchase)	2.03	1.64	1.20	.97	1.02	1.17	.92	1.05	1.04	1.18	1.39	1.20	.95	.81	.89	.98
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs[3]	.49	.50	.50	.50	.50	.51	.51	.51	.52	.54	.54	.55	.55	.56	.56	.56
Total	115.26	105.22	95.93	93.10	89.97	94.01	86.78	90.24	90.44	94.89	100.16	94.10	87.23	84.89	87.99	93.90
	Dollars per cwt															
Selling price/cwt. required To cover feed and feeder costs (220 lb.)	42.73	38.58	34.49	33.58	32.30	33.96	30.83	31.98	32.04	33.71	35.87	33.29	30.25	29.33	30.61	32.29
Selling price/cwt. required to cover all costs (220 lb.)	52.39	47.83	43.38	42.32	40.90	42.73	39.45	41.04	41.12	43.13	45.53	43.11	39.65	38.59	40.00	42.68
Feed cost per 100 lb. gain	23.98	24.43	25.42	27.63	25.29	25.23	24.72	24.45	24.72	24.81	24.48	24.03	23.71	24.53	25.06	27.08
Barrows and gilts 7 markets/cwt	38.21	38.62	34.70	36.01	38.45	37.49	37.51	33.94	28.86	29.50	35.17	43.16				
Net margin/cwt.	-14.27	-9.21	-8.90	-6.31	-2.45	-5.24	-1.94	-7.10	-12.26	-13.63	-10.36	-10.36				
Prices:																
40 lb. feeder pig (So. Missouri)	50.84	40.89	30.11	24.14	25.53	29.30	23.10	26.35	26.00	29.52	34.84	29.97	23.86	20.37	22.24	24.48
Corn[4] $/bu	2.24	2.32	2.47	2.72	2.46	2.49	2.37	2.21	2.36	2.44	2.34	2.29	2.29	2.40	2.51	2.73
38-42% protein supp.[5] $/cwt.	14.25	14.20	14.30	15.25	14.20	14.20	14.35	13.80	14.25	13.85	14.10	13.90	13.45	13.65	13.45	14.40
Labor and management[6] $/hr.	6.58	6.40	6.40	6.40	6.10	6.10	6.10	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64
Interest rate (annual)	10.46	10.46	10.46	10.82	10.82	10.82	11.67	11.67	11.67	13.52	13.52	13.52	13.72	17.2	17.12	13.98
Transporation rate/cwt. (100 miles)[7]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14 = 100)	837	842	845	853	852	862	870	872	880	913	923	933	933	936	944	952

[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. [2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management production level, and locality of operation. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Average prices paid by farmers in Iowa and Illinois. [6] Assumes an owner-operator receiving twice the farm labor rate. [7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.



were about $160 per ton at the beginning of June but about $200 in the first week of August. These ingredient price increases raised the cost of producing hogs in farrow-to-finish units by about $5 per cwt. sold. So, in spite of the increase in hog prices, producers are only able to cover cash costs and are still not able to cover total production costs.

Much of the increase in feed prices can be attributed to hot, dry weather across most of the major crop producing areas. Yields of feed grain and soybean crops have been sharply reduced by the hot dry weather, resulting in a smaller crop than had been expected earlier. The sharply higher feed costs that now seem likely could intensify the breeding inventory liquidation, particularly if hog slaughter increases and hog prices fall in late summer as expected.

Farrowings May Be Below Intentions

Hog producers are apparently carrying out their plans to reduce June-November farrowings. They have continued to market a large number of sows since the June 1, 1980, USDA survey was taken.

Commercial Sow Slaughter*

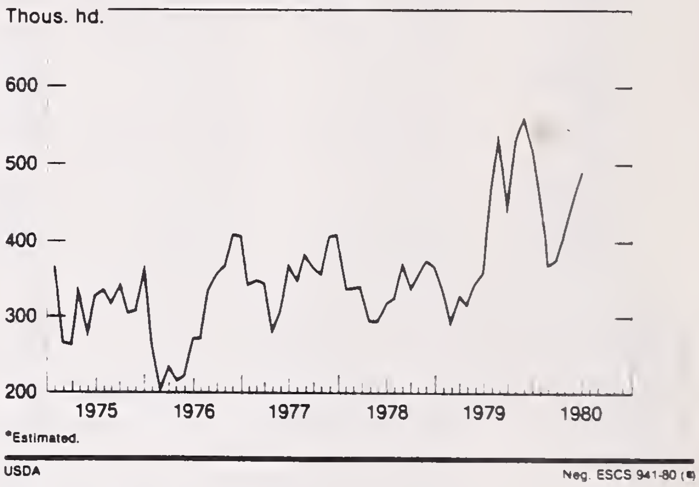


Table 5—Pork supplies and prices

Year	Estimated commercial slaughter[1]				Average dressed weight	Commercial production	Per capita consumption[2]	Prices		
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets[3]	Farm
	1,000 head				*Lb.*	*Mil lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	
1976: I ...	16,605	694	132	17,431	170	2,958	14.4	141.2	47.99	47.10
II ...	15,962	718	141	16,821	169	2,847	13.5	138.2	49.19	47.93
III ...	16,872	964	147	17,983	168	3,014	14.4	137.1	43.88	43.30
IV ...	20,215	1,184	150	21,549	170	3,669	17.2	119.6	34.25	33.57
Year	69,654	3,560	570	73,784	169	12,488	59.5	134.0	43.11	42.98
1977: I ...	18,522	1,031	217	19,770	167	3,294	15.6	120.5	39.08	38.23
II ...	17,582	950	211	18,743	170	3,184	14.9	121.7	40.87	39.57
III ...	17,002	1,086	205	18,293	168	3,073	14.7	131.0	43.85	42.63
IV ...	19,139	1,167	191	20,497	171	3,500	16.3	128.2	41.38	39.83
Year	72,245	4,234	824	77,303	169	13,051	61.5	125.4	41.07	40.07
1978: I ...	18,200	1,011	194	19,405	167	3,243	15.2	137.0	47.44	45.90
II ...	17,940	906	196	19,042	171	3,265	15.0	142.4	47.84	46.83
III ...	17,343	1,025	185	18,553	170	3,160	15.0	144.7	48.52	46.93
IV ...	19,037	1,096	182	20,315	174	3,541	16.2	150.1	50.05	48.70
Year	72,520	4,038	757	77,315	171	13,209	61.4	143.6	48.49	47.09
1979 I	18,903	949	188	20,040	169	3,395	15.8	156.1	51.98	50.53
II ...	20,512	1,008	220	21,740	173	3,754	17.2	148.2	43.04	42.30
III ...	20,388	1,444	250	22,082	171	3,775	17.7	138.0	38.52	37.10
IV ...	23,365	1,602	270	25,237	172	4,346	19.5	134.3	36.39	35.27
Year	83,168	5,003	928	89,099	171	15,270	70.2	144.1	42.48	41.30
1980: I ...	22,771	1,200	258	24,229	170	4,124	19.0	133.9	36.31	35.47
II ...	23,397	1,354	291	25,042	172	4,300	19.5	124.4	31.18	29.67

[1] Classes estimated [2] Total, including farm production. [3] Annual average weighted.

Sow slaughter under F.I. in June numbered 466,000 and accounted for 6.4 percent of all hogs slaughtered under F.I. A year earlier, sow slaughter numbered 343,000 and accounted for 5.1 percent of hog slaughter. Furthermore, sow slaughter during the first four weeks of July accounted for 7.3 percent of all hogs, up from 6.7 percent during the corresponding period a year earlier.

Recent increases in feed costs and the likelihood of sharply lower feed supplies at higher prices may result in a further reduction of the breeding inventory. Since many hog producers grow their own corn, they may choose to market their corn directly rather than through hogs. Furthermore, the Government has increased the loan price for corn from $2.10 per bushel to $2.25. This action was intended to provide incentives to place more 1980-crop grain in the farmer-owned reserve and to increase corn prices. The higher loan price also reduced the risk of financial losses resulting from a price decline for corn. Since hog producers have just emerged from a period of sharp price declines, they may prefer to market their corn directly and avoid some of the price risk associated with hog production. This may cause June-November farrowings to fall 10 percent or more from a year earlier.

Hog Prices To Decline Seasonally; But Increase in Fourth Quarter and 1981

Hog prices rose to near $50 per cwt. in August. But as hog slaughter increases seasonally in late summer, prices may decline to the mid-$30's for a week or two late in the third quarter or early in the fourth. The average price for barrows and gilts at the 7 major markets may be $41-$43 in the third quarter. Hog prices may be in the mid-to upper-$30's during the first half of the fourth quarter, but as hog slaughter declines late in the quarter, hog prices could once again rise to the mid-to upper-$40's. The fourth-quarter average price may be $42-$44.

If hog producers carry out their June 1 intentions of decreasing June-November farrowings by 8 percent, slaughter in the first half of 1981 could drop 8 to 10 percent from a year earlier. Hog prices could then average in the mid-to upper-$40's for the first half of 1981. A decrease in June-November farrowings of 10 percent would likely boost first half 1981 hog to the upper $40's or low $50's.

SHEEP AND LAMBS

1980 Lamb Crop Up 3 Percent

The 1980 lamb crop is estimated at 8.28 million head, up 3 percent from a year earlier. The lambing rate per 100 ewes 1 year old and older on hand January 1, 1980, was 99 compared with 98 in 1979 and 94 in 1978. This was the highest lambing rate on record and reflects the mild winter weather that reduced death losses and a continued effort to save more than one lamb per ewe when twins are born.

Four States accounted for 39 percent of all lambs born in the United States. Texas had the largest number—1.1 million head—but this was 6 percent smaller than the previous year. The lamb crop increased 1 percent in California and 7 percent in South Dakota and Wyoming.

Table 6—Balance sheet for sheep and lambs, United States

Year	On farms Jan. 1	Lamb crop	Net exports	Slaughter	Deaths	Adjustment factor	On farms Dec. 31
	1,000 head						
1960	33,170	21,012	-13	16,240	4,590	-640	32,725
1961	32,725	20,782	+27	17,537	4,499	-475	30,969
1962	30,969	19,712	+16	17,168	4,437	+116	29,176
1963	29,176	18,516	+28	16,147	4,157	-244	27,116
1964	27,116	16,994	+10	14,895	4,062	-16	25,127
1965	25,127	16,312	+6	13,300	3,910	+511	24,734
1966	24,734	15,881	+51	13,003	3,614	+6	23,953
1967	23,953	15,017	+108	13,035	3,629	+25	22,223
1968	22,223	14,444	+91	12,119	3,369	+262	21,350
1969	21,350	13,723	+83	10,923	3,382	-262	20,423
1970	20,423	13,465	+121	10,801	3,116	-119	19,731
1971	19,731	12,998	+208	10,965	2,928	+111	18,739
1972	18,739	12,599	+146	10,525	2,897	-129	17,641
1973	17,641	11,500	+195	9,799	2,827	-10	16,310
1974	16,310	10,509	+290	9,064	2,657	-293	14,515
1975	14,515	9,857	+336	8,047	2,424	-254	13,311
1976	13,311	8,888	+240	6,911	2,185	-97	12,766
1977	12,766	8,606	+197	6,555	2,091	-181	12,348
1978	12,348	8,020	+131	5,543	2,022	-452	12,220
1979	12,220	8,043	+116	5,189	1,992	-453	12,513
1980[1]	12,513	8,278					

[1] Preliminary.

Table 7—Lamb supplies and prices

	Commercial slaughter[1]			Average dressed weight	Commercial production	Per capita consumption[2]	Retail	Prices		
								San Angelo		Farm[3]
	Lambs and yearlings	Sheep	Total					Choice slaughter	Choice feeder	
	1,000 head			*Lb.*	*Mil. lb.*	*Lb.*	*Cents/lb.*	*Dollars per/cwt.*		
1977: I	1,500	82	1,582	57	90	.5	181.8	52.98	54.87	49.00
II	1,465	160	1,625	53	86	.4	183.4	55.76	52.24	52.23
III	1,490	163	1,653	51	84	.4	191.3	51.88	50.80	50.33
IV	1,393	103	1,496	54	81	.4	190.8	56.31	62.59	53.97
Year	5,848	508	6,356	54	341	1.7	186.8	54.23	55.12	51.30
1978: I	1,273	68	1,341	56	75	.4	206.9	67.67	74.72	63.77
II	1,244	130	1,374	55	76	.4	227.2	69.14	72.38	64.07
III	1,238	99	1,337	55	73	.4	221.8	61.07	75.27	60.33
IV	1,231	86	1,317	58	76	.4	222.5	63.44	80.07	63.20
Year	4,986	383	5,369	56	300	1.6	219.6	65.33	75.61	62.70
1979: I	1,154	56	1,210	59	71	.4	241.4	68.97	85.02	69.63
II	1,159	106	1,265	56	71	.4	250.1	73.55	79.01	68.83
III	1,167	96	1,262	55	69	.3	245.9	65.41	71.83	64.03
IV	1,193	87	1,280	57	73	.4	245.2	67.08	74.28	65.83
Year	4,672	345	5,017	57	284	1.5	245.7	68.45	77.54	66.70
1980: I	1,353	68	1,421	56	80	.4	250.3	68.57	75.79	65.50
II	1,369	114	1,483	52	77	.4	250.0	66.67	62.27	61.23

[1] Classes estimated. [2] Total, including farm production. [3] Weighted annual average. [4] Preliminary.

Sheep and Lamb Slaughter Up 11 Percent

Sheep and lamb slaughter during the first half of 1980 was up 11 percent from a year earlier. Lamb and yearling slaughter under F.I. during the first 6 months increased 246,000 from a year earlier and mature sheep slaughter was up 17,000. This large increase was surprising since the inventory of sheep and lambs on January 1, 1980, was only 2 percent larger than a year earlier and there were only 3 percent more sheep and lambs on feed. Furthermore, placements of sheep and lambs on feed in the 7 States surveyed during January and February were actually down 6 percent from a year earlier. Movement of lambs off grass in Texas where pastures were deteriorating likely resulted in increased marketings in that State. Weights were down slightly from a year earlier, resulting in a 10-percent increase in lamb and mutton production.

Lamb Prices Below Year Earlier; To Rise in Second Half

Lamb prices received by farmers in the first quarter of 1980 averaged $66 per cwt., down from $70 a year earlier. Second quarter lamb prices averaged $61, down from $69 a year earlier. This decline can be attributed largely to the 10-percent increase in lamb and mutton production and to the low prices for competing meats. Lamb prices may average higher in the second half of the year as supplies of competing meats begin to decline from year-earlier levels. Prices are expected to average in the upper-$60's per cwt. in the second half of the year.

CONSUMPTION, PRICES AND EXPENDITURES

First Half 1980 Meat Consumption Record; Retail Prices Down Sharply

Per capita consumption of red meat and poultry was at record levels for the first half of 1980 as large year-to-year increases in pork and poultry output expanded supplies. Total consumption (on a retail weight basis) increased to 106.2 pounds per person in the first half, up 5 percent from a year earlier. A 16-percent increase in pork consumption during the first half of the year more than offset a 4-percent decline in beef consumption, so total red meat consumption was 4 percent above a year earlier. Poultry consumption increased 6 percent as a result of a 3 and 18 percent increase in broiler and turkey consumption, respectively.

The retail pork price was substantially below year-earlier levels because of the large increase in supplies and the faltering economy. It averaged $1.25 per pound in the second quarter, down 15 percent from a year earlier and the lowest quarterly average since the second quarter of 1977. After deflating the pork price by the Consumer Price Index for all goods, the second quarter pork price was 26 percent below a year earlier.

Retail beef prices averaged $2.31 per pound in the second quarter, down 2 percent from a year earlier. After deflating, beef prices were down 14 percent from the second quarter of 1979.

Meat Expenditures Declined in Second Quarter

Consumers spent an estimated $79 per person on red meat and poultry during the second quarter of 1980, down from the previous 2 quarters and from a year earlier. About $69 were spent on red meats and $10 on young chicken and turkeys. Expenditures for beef accounted for the largest share of meat expenditures—$44 or 56 percent of meat expenditures. Pork expenditures were estimated at $23 per person. About 4 percent of the consumer's disposable income was spent on red meat and poultry: 2.25 percent for beef, 1.14 for pork, 0.05 for veal, 0.05 for lamb and mutton, and 0.52 for poultry.

Food expenditures as percent of total expenditures

Year	Quarter			
	I	II	III	IV
	Percent			
1955	26.9	26.6	26.3	26.2
1960	25.0	25.0	24.9	25.0
1965	22.9	23.0	22.9	23.1
1970	22.0	22.0	22.0	22.1
1971	21.4	21.2	20.9	20.7
1972	20.5	20.6	20.6	20.4
1973	20.5	20.5	20.9	21.0
1974	21.2	21.2	21.3	21.6
1975	21.5	21.6	21.4	21.2
1976	21.0	20.9	20.8	20.6
1977	20.4	20.6	20.3	20.2
1978	20.2	20.1	20.0	20.1
1979	20.1	20.1	19.8	20.0
1980	19.8	19.9		

Source: U.S. Department of Commerce, Bureau of Economic Analysis

These estimated expenditures are often incorrectly used synonymously with demand. A decline in expenditures, in absolute terms or as a percent of income, is then incorrectly interpreted as a decline in demand. Expenditures for meats are simply the price of a meat multiplied by the quantity consumed. Demand refers to the quantity of meat purchased at a specific price. The two terms are not equivalent and should not be used interchangeably.

There is a direct correlation between demand and expenditures when demand shifts and supply remains constant. However, when the supply of meat increases and demand does not shift, expenditures for meats will decline. This is because demand for meat is inelastic, that is, the quantity of meat bought will increase less than 1 percent when the price of that meat declines by 1 percent. An increase in the supply of meat will decrease the price of that meat, but the price decline will have to be proportionally larger than the increase in supply in order for consumers to purchase the larger quantity of meat. Thus expenditures for that meat would decline.

Furthermore, expenditure data from the Department of Commerce show that consumers allocate a smaller portion of their total expenditures to food as incomes increase. In 1955, about 26 percent of total expenditures went for food, while 1979, only 20 percent. But this does not mean that demand for food has declined. Instead it indicates that consumers commit themselves to a "minimum" expenditure for food and all other goods in order to attain a minimal subsistence level. Once all of these "minimum" expenditures have been made, any remaining income is then allocated towards the purchase of additional items that would boost expenditures above the minimal subsistence level. Unpublished research conducted within the USDA suggests that only 5 cents of the consumer dollar is allocated for the purchase of food once the minimum subsistence level has been achieved. The consumer commits a greater portion of this income towards the purchase of automobiles, refrigerators, stereos, travel, etc. As a result, the proportion of income allocated to food decreases as income increases. This suggests expenditures for food will neither rise as rapidly as incomes when incomes are growing nor decline as much when incomes are falling.

The portion of income that is left over after all "minimum" expenditures have been made and is spent on meats is likely to be higher than for most other foods. For example, the portion spent for beef is likely to be higher than for macaroni. Consumers are also likely to increase expenditures for beef more than they would for pork or poultry. However, expenditures for meats have also decreased as a percent of per capita disposable income (DPIN) as DPIN increased. In 1955, expenditures for red meats accounted for 5.1 percent of DPIN, but in 1979, only 3.8 percent of DPIN was spent on red meats. During the first half of 1980, only 3.5 percent of DPIN was spent on red meats. The percent of DPIN spent on beef fell from 2.7 percent in 1955 to 2.4 percent in 1979; the percent spent on pork fell from 2.0 to 1.3 percent. Once again, this does not mean that demand for meat has declined, but that consumers also allocate a smaller portion of their income for meats as incomes increase.

But Will Increase This Summer

Expenditures for meat are expected to increase in the second half of 1980 and into 1981. Total red meat and poultry consumption in the second half of

1980 may be near 106 pounds per person, down 1 percent from a year earlier but still up 1 percent from 1978. Red meat consumption is expected to be near 75 pounds, down 1 percent from a year earlier.

Retail meat prices may increase sharply during the second half of the year, mainly due to the smaller meat supplies. Real personal disposable incomes may continue to decline for the rest of 1980 and into early 1981, so little price strength is expected to result from income changes. However, the inflation rate is expected to increase once again in late 1980 and into 1981. It could increase at double digit rates during 1981 which would result in higher meat prices.

Pork prices for the rest of this year are expected to increase faster than prices of other meats. Third quarter prices may average $1.45 to $1.47 per pound, up from $1.25 in the second quarter and $1.38 a year earlier. Retail prices may increase to $1.54 to $1.57 in the fourth quarter. In spite of the large increases expected in the second half of 1980, the annual average retail pork price may be near $1.40 per pound, 3 percent below the average price of the last two years.

Retail beef prices are also expected to increase during the second half of the year, but the rate of increase will be less than that of pork. Beef prices may average near $2.43 per pound in the third quarter, up 5 percent from the previous quarter. An increase of 2 to 4 percent is expected during the fourth quarter. The annual average beef price would then be near $2.40, up 6 percent from 1979.

Table 8—Per capita meat consumption by quarters[1]

Year	Carcass weight					Retail weight				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Beef										
1973	28.0	26.2	26.8	28.6	109.6	20.7	19.4	19.8	21.2	81.1
1974	28.3	28.8	29.4	30.3	116.8	20.9	21.3	21.8	22.4	86.4
1975	30.3	28.4	30.2	31.2	120.1	22.4	21.0	22.4	23.1	88.9
1976	32.8	31.2	33.5	31.8	129.3	24.3	23.1	24.8	23.5	95.7
1977	31.7	30.9	32.0	31.3	125.9	23.4	22.9	23.7	23.2	93.2
1978	30.4	29.8	29.6	30.2	120.0	22.5	22.0	21.9	22.4	88.8
1979	28.3	26.2	26.2	26.9	107.6	20.9	19.4	19.4	19.9	79.6
1980	26.2	26.0				19.4	19.2			
Veal										
1973	.5	.4	.4	.5	1.8	.5	.3	.3	.4	1.5
1974	.5	.4	.6	.8	2.3	.4	.3	.5	.7	1.9
1975	.9	.9	1.2	1.2	4.2	.8	.8	1.0	1.0	3.6
1976	1.0	.9	1.0	1.1	4.0	.9	.7	.8	.9	3.3
1977	1.0	.9	1.0	1.0	3.9	.9	.7	.8	.8	3.2
1978	.9	.7	.7	.7	3.0	.7	.6	.6	.6	2.5
1979	.5	.5	.5	.5	2.0	.4	.4	.4	.4	1.6
1980	.4	.4				.4	.3			
Pork										
1973	16.6	16.2	14.4	16.7	63.9	14.9	14.5	13.1	15.1	57.6
1974	17.2	17.8	16.8	17.3	69.1	15.7	16.0	15.0	15.5	62.2
1975	15.5	14.4	12.5	13.7	56.1	14.0	13.2	11.5	12.5	51.2
1976	14.4	13.5	14.4	17.2	59.5	13.1	12.4	13.3	15.8	54.6
1977	15.6	14.9	14.7	16.3	61.5	14.5	13.7	13.5	15.0	56.7
1978	15.3	15.0	15.0	16.2	61.5	14.1	13.9	13.9	15.0	56.9
1979	15.8	17.2	17.7	19.5	70.2	14.8	15.9	16.3	18.1	65.2
1980	19.0	19.5				17.5	17.9			
Lamb & Mutton										
1973	.7	.7	.7	.6	2.7	.7	.6	.6	.5	2.4
1974	.6	.6	.6	.5	2.3	.5	.5	.5	.5	2.0
1975	.5	.5	.5	.5	2.0	.5	.4	.4	.5	1.8
1976	.5	.4	.5	.5	1.9	.5	.4	.4	.5	1.8
1977	.5	.4	.4	.4	1.7	.4	.4	.4	.4	1.6
1978	.4	.4	.4	.4	1.6	.4	.4	.3	.4	1.5
1979	.4	.4	.3	.4	1.5	.3	.4	.3	.3	1.3
1980	.4	.4				.4	.4			
Red Meat										
1973	45.8	43.5	42.3	46.4	178.0	36.8	34.8	33.8	37.2	142.6
1974	46.6	47.6	47.4	48.9	190.5	37.5	38.1	37.8	39.1	152.5
1975	47.2	44.2	44.4	46.6	182.4	37.7	35.4	35.3	37.1	145.5
1976	48.7	46.0	49.4	50.6	194.7	38.8	36.6	39.3	40.7	155.4
1977	48.8	47.1	48.1	49.0	193.0	39.2	37.7	37.4	39.4	153.7
1978	47.0	45.9	45.7	47.5	186.1	37.7	36.9	36.7	38.4	149.7
1979	45.0	44.3	44.7	47.3	181.3	36.4	36.1	36.4	38.7	147.6
1980	46.1	46.3				37.7	37.8			

[1] Total consumption including farm, 50 States.

Expenditures per person for red meat and poultry

Year and Quarter	BEEF		PORK		VEAL		LAMB		RED MEAT		POULTRY[1]		TOTAL	
	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income	Expen- ditures	Percent of Income
1960	52.65	2.72	33.39	1.73	4.11	.21	3.08	.16	93.23	4.82	N.A.	N.A.	N.A.	N.A.
1965	60.37	2.48	35.69	1.47	3.60	.15	2.64	.11	102.30	4.21	15.19	.62	117.49	4.83
1970	85.46	2.55	48.00	1.43	2.98	.09	3.06	.09	139.50	4.16	19.46	.58	158.96	4.74
1971	90.43	2.52	47.61	1.33	3.03	.08	3.08	.09	144.15	4.02	19.65	.55	163.80	4.57
1972	101.93	2.66	51.96	1.35	2.78	.07	3.45	.09	160.12	4.17	20.83	.54	180.95	4.71
1973	115.16	2.69	62.74	1.46	2.71	.06	3.21	.07	183.82	4.28	29.37	.69	213.19	4.97
1974	126.34	2.72	67.03	1.44	3.68	.08	2.93	.06	199.98	4.30	27.33	.59	227.31	4.89
1975														
I	30.73	2.55	15.97	1.33	1.47	.12	.78	.06	48.95	4.06	5.83	.48	54.78	4.54
II	32.61	2.54	16.20	1.26	1.46	.11	.66	.05	50.93	3.96	6.69	.52	57.62	4.48
III	37.18	2.89	17.11	1.33	1.82	.14	.70	.05	56.81	4.41	8.13	.63	64.94	5.04
IV	37.17	2.83	19.11	1.45	1.77	.13	.88	.07	58.93	4.48	9.24	.71	68.17	5.19
Year	137.69	2.71	68.39	1.34	6.52	.13	3.02	.06	215.62	4.24	29.89	.58	245.51	4.82
1976														
I	36.77	2.74	18.50	1.38	1.56	.12	.90	.07	57.73	4.31	6.86	.52	64.59	4.83
II	34.84	2.56	17.14	1.26	1.22	.09	.76	.06	53.96	3.97	7.51	.56	61.47	4.53
III	36.03	2.60	18.23	1.32	1.40	.10	.76	.05	56.42	4.07	8.02	.58	64.44	4.65
IV	34.17	2.41	18.90	1.33	1.53	.11	.92	.06	55.52	3.91	8.47	.60	63.99	4.51
Year	141.81	2.58	72.77	1.32	5.71	.10	3.34	.06	223.63	4.06	30.86	.56	254.49	4.62
1977														
I	33.84	2.34	17.47	1.21	1.59	.11	.73	.05	53.63	3.71	6.60	.45	60.23	4.16
II	33.53	2.26	16.67	1.12	1.23	.08	.73	.05	52.16	3.51	7.65	.51	59.81	4.02
III	35.31	2.32	17.69	1.16	1.40	.09	.76	.05	55.16	3.62	8.44	.55	63.60	4.17
IV	35.59	2.28	19.23	1.23	1.39	.09	.57	.04	56.78	3.64	9.26	.59	66.04	4.23
Year	138.27	2.30	71.06	1.18	5.61	.09	2.79	.05	217.73	3.62	31.95	.53	249.68	4.15
1978														
I	36.61	2.29	19.31	1.21	1.26	.08	.82	.05	58.00	3.63	7.29	.46	65.29	4.09
II	41.04	2.49	19.79	1.20	1.18	.07	.91	.06	62.92	3.82	9.24	.56	72.16	4.38
III	41.67	2.47	20.11	1.19	1.36	.08	.67	.04	63.81	3.78	10.01	.59	73.82	4.37
IV	42.30	2.43	22.52	1.29	1.42	.08	.67	.04	66.91	3.84	10.93	.63	77.84	4.47
Year	161.62	2.42	81.73	1.22	5.22	.08	3.07	.05	251.64	3.77	37.47	.56	289.11	4.33
1979														
I	45.02	2.52	23.10	1.29	1.01	.06	.72	.04	69.85	3.91	9.26	.51	79.11	4.42
II	45.69	2.51	23.56	1.30	1.14	.06	1.00	.05	71.39	3.92	10.74	.59	82.13	4.51
III	43.96	2.37	22.49	1.21	1.18	.06	.74	.04	68.37	3.68	10.49	.56	78.86	4.24
IV	45.31	2.38	24.31	1.28	1.19	.06	.74	.04	71.55	3.76	11.34	.60	82.89	4.36
Year	179.98	2.44	93.46	1.27	4.52	.06	3.20	.04	281.16	3.81	41.83	.57	322.99	4.38
1980														
I	45.59	2.33	23.58	1.20	1.22	.06	1.00	.05	71.39	3.64	9.91	.51	81.30	4.15
II	44.35	2.25	22.50	1.14	.93	.05	1.00	.05	68.78	3.49	10.18	.52	78.96	4.01

[1] Young chicken and turkey

Table 9—Average retail price of meat per pound, United States, by months, 1966 to date[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Beef, Choice grade[2]												
1966	82.9	85.1	86.1	86.6	85.8	83.7	83.5	83.7	84.2	83.3	82.3	85.6	84.4
1967	82.3	82.8	82.7	82.3	81.5	83.9	85.3	86.0	87.6	87.3	86.4	87.3	84.6
1968	86.3	87.1	87.7	87.7	87.9	87.9	89.2	89.1	90.5	89.8	90.2	90.6	88.7
1969	91.6	91.8	93.1	95.5	100.1	104.3	105.0	103.6	101.7	97.8	99.1	99.5	98.6
1970	100.2	100.0	102.3	102.8	102.4	101.5	103.8	103.5	101.9	101.0	100.8	99.7	101.7
1971	100.5	104.7	105.8	107.6	108.6	109.5	108.6	109.6	109.9	109.1	110.4	112.7	108.1
1972	116.0	120.4	120.5	116.6	116.1	118.3	122.3	120.8	117.9	117.8	117.4	119.8	118.7
1973	127.7	136.3	141.7	142.4	142.5	142.0	143.0	151.3	152.1	142.8	141.8	141.3	142.1
1974	150.4	157.8	149.7	143.6	142.3	139.3	145.5	151.3	149.5	144.5	142.1	139.7	146.3
1975	140.5	136.5	134.5	141.8	156.7	167.3	170.8	165.0	162.3	161.9	160.7	160.1	154.8
1976	158.1	151.8	143.9	151.2	151.1	150.1	147.5	144.9	143.4	142.6	145.1	148.5	148.2
1977	147.1	144.0	142.7	143.5	148.4	147.3	148.4	149.4	149.2	152.0	152.5	155.7	148.4
1978	159.5	161.7	167.0	176.0	185.9	195.2	191.6	189.3	187.4	187.6	187.8	193.6	181.9
1979	204.9	215.3	225.9	232.8	240.2	233.6	232.2	220.9	226.6	224.3	226.2	232.6	226.3
1980	234.5	234.8	236.2	233.3	230.4	230.6							
	Veal, retail cuts												
1966	85.1	89.2	89.4	90.3	88.5	90.7	91.1	90.6	91.3	91.3	90.5	91.4	90.0
1967	92.0	90.1	91.4	92.8	93.3	93.7	93.9	96.1	96.3	96.7	97.4	97.2	94.2
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	183.5	179.6	180.2	182.9	183.1	186.6	181.6	178.2	176.8	176.7	177.4	181.1
1976	174.4	173.7	173.3	171.7	173.9	177.2	176.5	175.4	172.9	170.4	170.1	169.8	173.3
1977	176.7	178.4	175.2	175.8	174.9	175.2	174.6	175.6	174.3	172.3	175.8	174.5	175.3
1978	176.5	180.3	183.0	186.0	191.3	210.3	223.0	225.8	228.9	234.0	236.8	237.6	209.5
1979	247.0	254.8	252.2	273.1	289.1	294.4	294.1	293.2	294.2	296.6	298.5	299.8	282.3
1980	301.6	303.8	305.9	310.2	310.0	311.4							
	Pork[2]												
1966	79.3	79.5	76.8	71.9	70.5	72.8	73.4	75.1	73.7	71.1	68.8	67.5	73.4
1967	66.9	65.6	63.9	62.6	65.4	69.4	70.4	69.6	68.7	66.0	66.0	64.3	66.6
1968	64.8	66.1	66.5	65.7	66.1	67.2	68.8	68.4	68.2	67.2	66.5	66.4	66.8
1969	67.3	67.9	68.4	68.5	71.0	74.3	76.2	77.6	78.2	78.0	77.4	79.0	73.6
1970	81.4	81.1	80.7	79.3	79.4	79.4	80.0	79.1	76.1	74.0	70.2	67.9	77.4
1971	67.9	68.9	69.4	68.2	67.7	69.1	70.9	71.1	70.5	70.8	70.9	72.4	69.8
1972	75.8	80.8	78.9	77.7	78.9	81.5	85.1	85.5	86.1	87.0	86.7	88.0	82.7
1973	93.6	96.6	102.5	102.2	101.9	103.6	107.0	130.9	125.7	116.5	114.8	115.2	109.2
1974	116.2	116.7	111.4	104.3	99.0	93.3	103.3	108.3	109.5	108.5	111.0	112.3	107.8
1975	114.6	114.5	113.3	115.4	122.6	130.1	143.3	149.7	153.3	158.2	153.5	147.1	134.6
1976	143.9	141.3	138.4	136.3	138.3	140.1	141.8	137.1	132.4	124.6	117.3	117.0	134.0
1977	119.5	121.0	120.9	118.8	120.8	125.6	132.0	130.2	130.7	126.8	127.4	130.5	125.4
1978	133.8	138.0	139.2	141.6	141.4	144.2	144.2	144.4	145.5	149.4	150.4	150.5	143.6
1979	154.2	157.1	156.9	150.7	149.3	144.5	142.4	135.9	135.6	134.3	132.2	136.3	144.1
1980	135.3	133.2	133.3	127.8	123.6	124.4							
	Lamb, Choice grade												
1966	81.8	85.8	87.6	86.4	85.6	86.6	86.8	86.3	85.2	84.9	86.1	84.5	85.6
1967	84.6	83.4	83.3	82.9	84.6	88.8	89.5	89.3	90.3	89.6	90.2	89.9	87.2
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	146.4
1975	156.0	157.1	154.5	158.2	164.2	169.2	174.9	173.5	175.7	175.0	176.5	177.0	167.6
1976	178.3	178.3	181.8	184.0	189.0	194.1	193.6	191.2	185.7	184.9	183.6	182.6	185.6
1977	181.4	182.8	181.3	178.3	183.5	188.5	192.6	192.9	188.3	189.2	193.6	189.7	186.8
1978	199.8	206.8	214.0	220.3	224.7	236.7	222.2	222.6	220.7	221.7	223.2	222.6	219.6
1979	235.4	244.4	244.4	248.6	250.7	251.1	248.0	244.8	244.8	242.9	247.3	245.4	245.7
1980	249.0	249.1	252.9	252.8	247.2	250.1							

[1] Estimated weighted average price of retail cuts. Compiled by Economics, Statistics, and Cooperatives Service. [2] Series revised. See Special Article in LMS-222, August 1978.

Table 10—Average retail price of specified meat cuts, per pound, by months, 1975 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents											
Choice Beef:												
Porterhouse steak												
1975	201	199	196	207	234	259	268	259	261	257	251	251
1976	247	232	220	230	232	231	230	224	220	216	219	222
1977	215	215	214	217	231	236	243	244	241	242	238	245
1978	245	253	259	274	290	309	308	305	305	298	297	299
1979	306	318	333	343	358	353	353	342	354	342	346	347
1980	348	348	353	350	359	359						
Round steak, full cut B.I.												
1975	154	153	149	157	178	188	190	184	179	182	180	179
1976	177	167	166	173	171	163	161	157	154	149	157	162
1977	158	166	164	165	173	169	169	161	170	170	171	173
1978	176	177	184	197	206	216	205	208	204	203	204	209
1979	220	231	243	253	256	249	243	236	239	235	247	255
1980	257	252	253	254	251	251						
Rib roast, small end B.I.												
1975	169	166	160	168	187	212	221	212	206	202	201	201
1976	201	187	182	187	188	187	183	181	180	178	184	188
1977	189	182	180	181	185	186	189	189	188	191	196	204
1978	209	207	210	221	231	245	243	240	240	241	238	245
1979	254	257	270	278	289	288	287	278	278	279	278	288
1980	293	292	292	289	288	291						
Rump roast, B.O.												
1975	173	170	167	175	193	200	202	195	194	196	194	193
1976	190	184	175	182	180	179	174	169	169	167	172	174
1977	174	173	172	170	176	172	175	176	173	178	180	181
1978	181	182	190	199	209	218	208	210	206	207	208	212
1979	225	238	248	257	264	258	255	243	246	245	248	255
1980	257	256	259	260	251	253						
Chuck blade pot roast B.I.												
1975	87	84	81	88	99	106	109	103	100	101	100	98
1976	97	90	84	88	90	89	83	80	82	82	83	88
1977	85	84	81	82	86	83	82	82	81	87	88	89
1978	92	97	102	110	118	124	120	118	114	117	116	122
1979	137	149	159	164	165	159	158	144	148	148	152	158
1980	161	161	163	158	155	150						
Ground beef												
1975	81	78	76	80	88	91	92	88	88	87	86	87
1976	86	85	82	85	87	86	84	82	82	78	80	82
1977	81	81	79	79	82	79	80	82	81	81	82	84
1978	87	94	101	108	115	119	116	116	115	118	118	124
1979	137	147	154	160	168	162	160	151	153	154	152	158
1980	160	159	160	156	152	150						
Veal, cutlet												
1975	328	323	317	319	325	326	334	326	321	320	320	323
1976	306	305	304	301	305	310	309	307	302	298	297	296
1977	310	314	310	313	313	315	316	319	318	317	324	324
1978	310	316	321	326	336	369	391	396	402	411	415	417
1979	433	447	442	479	507	516	516	514	516	520	524	526
1980	529	533	537	544	544	546						
Pork:												
Top loin chops												
1975	172	169	168	170	183	190	209	209	211	210	210	200
1976	199	198	194	188	194	196	198	190	184	174	171	170
1977	182	180	175	173	180	178	197	196	193	190	188	191
1978	195	199	200	197	202	208	210	209	208	214	216	214
1979	225	231	226	220	219	214	214	203	203	200	198	200
1980	201	200	196	192	184	187						
Sirloin roast												
1975	114	113	112	113	122	131	149	149	151	153	151	143
1976	144	143	139	137	139	142	145	137	132	122	115	114
1977	121	122	117	113	118	120	133	129	130	126	124	127
1978	132	138	136	139	140	147	146	147	146	150	152	150
1979	160	167	163	159	156	155	155	146	145	143	139	140
1980	141	141	138	136	131	133						
Bacon, sliced												
1975	139	140	138	142	149	157	168	187	196	198	179	167
1976	162	160	155	156	160	161	164	157	158	142	128	127
1977	132	132	133	133	139	142	150	149	155	144	134	135
1978	142	152	162	173	166	162	157	155	156	158	157	156
1979	158	165	164	156	153	144	139	131	135	133	129	135
1980	135	132	132	126	124	122						
Ham, Smoked whole												
1975	98	98	95	96	100	103	110	117	121	128	128	130
1976	128	125	123	120	120	121	122	119	111	111	106	117
1977	112	109	115	108	107	119	111	110	112	116	122	128
1978	124	125	125	122	121	123	124	125	129	138	142	143
1979	143	141	142	137	135	126	124	121	120	122	123	130
1980	125	122	122	120	113	115						
Lamb, loin chops												
1975	255	257	251	262	270	278	278	281	275	278	279	282
1976	282	280	282	295	316	319	310	303	283	280	288	284
1977	290	299	301	300	320	319	320	306	316	317	319	323
1978	343	347	355	361	363	365	362	357	360	359	362	359
1979	377	390	390	394	404	405	402	395	395	389	400	397
1980	405	402	411	412	398	408						

[1] Revised Series: Data from USDA, ESCS retail price survey. BLS data previously used, discontinued.

Table 11—Beef, Choice yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share, 1965 to present[1]

Year	Retail price[2]	Gross carcass value[3]	Carcass by-product allowance[4]	Net carcass value[5]	Gross farm value[6]	Farm by-product allowance	Net farm value[8]	Farm-retail spread			Farmers' share[9]
								Total	Carcass-retail	Farm-carcass	
	Cents/lb.										*Percent*
1966	84.4	60.7	1.1	59.6	61.0	6.7	54.3	30.1	24.8	5.3	64
1967	84.6	61.7	1.1	60.6	60.4	5.2	55.2	29.4	24.0	5.4	65
1968	88.7	65.5	1.2	64.3	64.0	5.2	58.8	29.9	24.4	5.5	66
1969	98.6	71.3	1.3	70.0	70.7	6.2	64.5	34.1	28.6	5.5	65
1970	101.7	71.1	1.3	69.8	70.2	6.3	63.9	37.8	31.9	5.9	63
1971	108.1	78.8	1.4	77.4	76.7	6.2	70.5	37.6	30.7	6.9	65
1972	118.7	83.5	1.5	82.0	85.0	9.4	75.6	43.1	36.7	6.4	64
1973	142.1	102.5	1.8	100.7	106.8	12.6	94.2	47.9	41.4	6.5	66
1974	146.3	101.8	1.8	100.0	101.5	10.1	91.4	54.9	46.3	8.6	62
1975	154.8	110.2	2.0	108.2	108.6	9.6	99.0	55.8	46.6	9.2	64
1976	148.2	93.1	1.7	91.5	94.4	10.4	84.1	64.1	56.7	7.4	57
1977	148.4	95.7	1.9	93.8	97.3	11.8	85.5	62.9	54.6	8.3	58
1978	181.9	121.6	2.3	119.3	126.1	15.0	111.1	70.8	62.6	8.2	61
1979	226.3	153.3	2.8	150.5	163.4	22.6	140.8	85.5	75.8	9.7	62
1974											
III	148.8	106.6	1.9	104.7	107.2	10.4	96.8	52.0	44.1	7.9 6	65
IV	142.1	94.3	1.7	92.6	92.8	8.4	84.4	57.7	49.5	8.2	59
1975											
I	137.2	90.5	1.6	89.0	87.5	7.2	80.0	57.2	48.2	9.0	58
II	155.3	118.5	2.1	116.4	117.6	9.8	107.8	47.5	38.9	8.6	69
III	166.0	120.6	2.2	118.4	118.1	10.7	107.5	58.5	47.6	10.9	65
IV	160.9	111.3	2.0	109.3	111.0	10.5	100.5	60.4	51.6	8.8	62
1976											
I	151.3	94.3	1.7	92.7	93.4	9.4	84.0	67.3	58.6	8.7	56
II	150.8	97.6	1.7	95.8	100.5	11.5	89.0	61.8	55.0	6.8	59
III	145.3	88.0	1.6	86.4	89.9	10.4	79.5	65.8	58.9	6.9	55
IV	145.4	92.6	1.7	90.9	94.0	10.2	83.8	61.6	54.5	7.1	58
1977											
I	144.6	89.9	1.7	88.2	91.2	11.5	79.7	64.9	56.4	8.5	55
II	146.4	95.5	1.9	93.6	98.6	12.5	87.0	59.4	52.8	6.6	59
III	149.0	96.1	2.1	93.9	97.3	11.6	85.7	63.3	55.1	8.2	58
IV	153.4	101.3	1.9	99.4	102.3	11.7	90.5	62.9	54.0	8.9	59
1978											
I	162.7	108.5	2.0	106.4	110.4	12.6	97.8	64.9	56.3	8.6	60
II	185.7	129.1	2.2	126.9	133.8	14.2	119.6	66.1	58.8	7.3	64
III	189.4	124.3	2.4	121.9	129.3	16.2	113.1	76.3	67.5	8.8	60
IV	189.7	124.5	2.4	122.1	131.0	17.2	113.8	75.9	67.6	8.3	60
1979											
I	215.4	148.8	2.7	146.1	158.4	21.1	137.3	78.1	69.3	8.8	64
II	235.5	160.8	3.1	157.7	175.3	27.0	148.3	87.2	77.8	9.4	63
III	226.6	149.3	2.7	146.6	158.7	22.3	136.4	90.1	79.9	10.2	59
IV	227.7	154.4	2.6	151.8	160.9	17.9	141.0	86.7	75.9	10.8	62
1980											
I	235.2	155.8	2.2	153.6	160.4	17.2	143.2	92.0	81.6	10.4	61
II	231.4	154.4	2.1	152.3	156.5	14.2	142.3	89.1	79.1	10.0	62
1977											
July	148.4	96.9	2.1	94.8	98.6	11.6	87.0	61.4	53.6	7.8	59
Aug.	149.4	95.3	2.2	93.1	96.1	11.6	84.5	64.9	56.3	8.6	57
Sept.	149.2	96.0	2.1	93.9	97.2	11.5	85.7	63.5	55.3	8.2	57
Oct.	152.0	100.4	1.9	98.5	101.8	11.5	90.3	61.7	53.5	8.2	59
Nov.	152.5	100.1	1.9	98.2	101.0	11.8	89.2	63.3	54.3	9.0	58
Dec.	155.7	103.5	2.0	101.5	104.0	11.9	92.1	63.6	54.2	9.4	59
1978											
Jan.	159.5	104.2	2.1	102.1	104.7	12.3	92.4	67.1	57.4	9.7	58
Feb.	161.7	107.8	2.0	105.8	108.5	12.4	96.1	65.6	55.9	9.7	59
Mar.	167.0	113.4	2.0	111.4	118.1	13.1	105.0	62.0	55.6	6.4	63
Apr.	176.0	123.1	2.1	121.0	127.5	13.5	114.0	62.0	55.0	7.0	65
May	185.9	133.7	2.2	131.5	139.2	14.3	124.9	61.0	54.4	6.6	67
June	195.2	130.5	2.2	128.3	134.6	14.7	119.9	75.3	66.9	8.4	61
July	191.6	127.6	2.3	125.3	131.8	15.0	116.8	74.8	66.3	8.5	61
Aug.	189.3	121.0	2.5	118.5	125.8	16.3	109.5	79.8	70.8	9.0	58
Sept.	187.4	124.3	2.5	121.8	130.4	17.4	113.0	74.4	65.6	8.8	60
Oct.	187.6	123.8	2.4	121.4	130.2	17.5	112.7	74.9	66.2	8.7	60
Nov.	187.8	121.6	2.4	119.2	128.3	17.1	111.2	76.6	68.6	8.0	59
Dec.	193.6	128.2	2.5	125.7	134.4	16.9	117.5	76.1	67.9	8.2	61
1979											
Jan.	204.9	141.1	2.6	138.5	145.7	17.6	128.1	76.8	66.4	10.4	63
Feb.	215.3	147.7	2.7	145.0	156.8	19.8	137.0	78.3	70.3	8.0	64
Mar.	225.9	157.5	2.9	154.6	172.7	25.9	146.8	79.1	71.3	7.8	65
Apr.	232.8	163.5	3.1	160.4	181.4	27.8	153.6	79.2	72.4	6.8	66
May	240.2	163.5	3.1	160.4	178.6	28.1	150.5	89.7	79.8	9.9	63
June	233.6	155.5	3.1	152.4	166.0	25.1	140.9	92.7	81.2	11.5	60
July	232.2	150.7	2.7	148.0	161.2	23.6	137.6	94.6	84.2	10.4	59
Aug.	220.9	142.6	2.7	139.9	151.4	21.9	129.5	91.4	81.0	10.4	.59
Sept.	226.6	154.6	2.8	151.8	163.6	21.5	142.1	84.5	74.8	9.7	63
Oct.	224.3	148.5	2.6	145.9	157.3	20.4	137.0	87.3	78.4	8.9	61
Nov.	226.2	156.3	2.5	153.8	161.6	19.8	141.8	84.4	72.4	12.0	63
Dec.	232.6	158.3	2.6	155.7	163.9	19.6	144.3	88.3	76.9	11.4	62
1980											
Jan	234.5	154.4	2.3	152.1	158.3	18.9	139.4	95.1	82.4	12.7	59
Feb.	234.8	156.8	2.2	154.6	162.4	17.4	145.0	89.8	80.2	9.6	62
Mar.	236.2	156.1	2.2	153.9	160.6	15.5	145.1	91.1	82.3	8.8	61
Apr.	233.3	150.4	2.2	148.2	152.8	14.6	138.2	95.1	85.1	10.0	59
May	230.4	154.3	2.1	152.2	156.2	13.5	142.7	87.7	78.2	9.5	62
June	230.6	158.5	2.1	156.4	160.7	14.6	146.1	84.5	74.2	10.3	64

[1] Revised series. [2] Estimated wrighted average price of retail cuts from Choice Yield Grade 3 carcass. [3] Value of carcass quantity equivalent to 1 lb. of retail cuts. A wholesale carcass equivalent of 1,464 was used prior to 1970 It was increased gradually to 1,476 in 1976 and later years. [4] Portion of gross carcass value attributed to fat and bone trim. [5] Gross carcass value minus carcass by-product allowance. [6] Market value to producer for quantity of live animal equivalent to 1 lb. of retail cuts. The farm product equivalent of 2.36 was used prior to 1970; it was increased gradually to 2.40 in 1976 and later years. [7] Portion of gross farm value attributed to edible and inedible byproducts. [8] Gross farm value minus farm byproduct allowance. [9] Percent net farm value is of retail price.

Table 12—Pork: Retail, wholesale, and farm values, spreads, and farmers' share, 1966 to present[1]

Year	Retail price[2]	Wholesale value[3]	Gross farm value[4]	Byproduct allowance[5]	Net farm value[6]	Farm-Retail Spread			Farmers' share[7]
						Total	Wholesale-retail	Farm-wholesale	
	Cents/lb.								*Percent*
1966	73.4	61.6	48.0	4.1	43.9	29.5	11.8	17.7	60
1967	66.6	55.0	39.2	2.9	36.3	30.3	11.6	18.7	55
1968	66.8	55.3	38.0	2.4	35.6	31.2	11.5	19.7	53
1969	73.6	62.8	46.4	3.7	42.7	30.9	10.8	20.1	58
1970	77.4	63.4	43.0	3.7	39.3	38.1	14.0	24.1	51
1971	69.8	57.0	34.9	2.9	32.0	37.8	12.8	25.0	46
1972	82.7	71.3	49.6	3.4	46.2	36.5	11.4	25.1	56
1973	109.2	95.8	73.8	6.2	67.6	41.6	13.4	28.2	62
1974	107.8	85.5	63.6	6.4	57.2	50.6	22.3	28.3	53
1975	134.6	115.3	86.5	6.6	79.8	54.8	19.3	35.5	59
1976	134.0	105.2	75.8	4.8	71.0	63.0	28.8	34.2	53
1977	125.4	99.0	70.2	4.6	65.6	59.8	26.4	33.4	52
1978	143.6	107.7	82.5	5.9	76.6	67.0	35.9	31.1	53
1979	144.1	100.4	72.2	5.6	66.6	77.5	43.7	33.8	46
1974									
III	107.0	85.6	65.5	6.5	59.0	48.0	21.4	26.6	55
IV	110.6	92.2	69.9	7.4	62.5	48.1	18.4	29.7	56
1975									
I	114.1	95.2	69.3	5.5	63.7	50.4	18.9	31.5	56
II	122.7	107.5	81.1	6.3	74.8	47.9	15.2	32.7	61
III	148.8	132.0	103.6	7.9	95.7	53.1	16.8	36.3	64
IV	152.9	126.6	91.9	6.6	85.2	67.7	26.3	41.4	56
1976									
I	141.2	112.1	83.0	5.4	77.6	63.6	29.1	34.5	55
II	138.2	112.9	85.1	5.3	79.8	58.4	25.3	33.1	58
III	137.1	104.5	75.9	5.0	70.9	66.2	32.6	33.6	52
IV	119.6	91.5	59.2	3.7	55.5	64.1	28.1	36.0	46
1977									
I	120.5	95.0	66.4	4.5	61.9	58.6	25.5	33.1	51
II	121.7	96.6	69.4	4.8	64.6	57.1	25.1	32.0	53
III	131.0	100.9	74.5	4.8	69.7	61.3	30.1	31.2	53
IV	128.2	103.3	70.4	4.4	66.0	62.2	24.9	37.3	52
1978									
I	137.0	104.8	80.7	5.6	75.1	61.9	32.2	29.7	55
II	142.4	105.6	81.3	5.8	75.5	66.9	36.8	30.1	53
III	144.7	107.6	82.4	6.0	76.4	68.3	37.1	31.2	53
IV	150.1	112.7	85.3	6.1	79.2	70.9	37.4	33.5	53
1979									
I	156.1	113.8	88.2	6.9	81.3	74.8	42.3	32.5	52
II	148.2	100.1	73.1	5.7	67.4	80.8	48.1	32.7	45
III	138.0	93.4	65.6	5.1	60.5	77.5	44.6	32.9	44
IV	134.3	94.1	62.0	4.7	57.3	77.0	40.2	36.8	43
1980									
I	133.9	90.9	61.8	4.6	57.2	76.7	43.0	33.7	43
II	124.4	87.6	59.6	4.1	55.5	68.9	36.8	32.1	45
1977									
July	132.0	103.9	77.8	5.1	72.7	59.3	28.1	31.2	55
Aug.	130.2	101.3	75.4	4.8	70.6	59.6	28.9	30.7	54
Sept.	130.7	97.7	70.4	4.5	65.9	64.8	33.0	31.8	50
Oct.	126.8	100.7	69.4	4.4	65.0	61.8	26.1	35.7	51
Nov.	127.4	102.4	66.9	4.2	62.7	64.7	25.0	39.7	49
Dec.	130.5	106.7	74.8	4.5	70.3	60.2	23.8	36.4	54
1978									
Jan.	133.8	101.7	78.2	5.2	73.0	60.8	32.1	28.7	55
Feb.	138.0	106.9	83.0	5.6	77.4	60.6	31.1	29.5	56
Mar.	139.2	105.8	80.8	6.0	74.8	64.4	33.4	31.0	54
Apr.	141.6	104.6	78.3	5.6	72.7	68.9	37.0	31.9	51
May	141.4	106.9	83.6	5.9	77.7	63.7	34.5	29.2	55
June	144.2	105.4	82.1	6.0	76.1	68.1	38.8	29.3	53
July	144.2	104.7	79.6	5.7	73.9	70.3	39.5	30.8	51
Aug.	144.4	107.5	82.8	6.0	76.8	67.6	36.9	30.7	53
Sept.	145.5	110.7	85.0	6.4	78.6	66.9	34.8	32.1	54
Oct.	149.4	114.8	89.1	6.5	82.6	66.8	34.6	32.2	55
Nov.	150.4	111.0	82.4	5.8	76.6	73.8	39.4	34.4	51
Dec.	150.5	112.2	84.4	5.9	78.5	72.0	38.3	33.7	52
1979									
Jan.	154.2	116.0	88.6	6.4	82.4	71.8	38.2	33.6	53
Feb.	157.1	116.0	92.3	7.3	85.0	72.1	41.1	31.0	54
Mar.	156.9	109.4	83.6	7.1	76.5	80.4	47.5	32.9	49
Apr.	150.7	103.8	76.7	5.8	70.9	79.8	46.9	32.9	47
May	149.3	99.9	74.2	6.0	68.2	81.1	49.4	31.7	46
June	144.5	96.7	68.5	5.3	63.2	81.3	47.8	33.5	44
July	142.4	93.4	66.3	5.2	61.1	81.3	49.0	32.3	43
Aug.	135.9	92.0	64.8	5.0	59.8	76.1	43.9	32.2	44
Sept.	135.6	94.8	65.7	5.2	60.5	75.1	40.8	34.3	45
Oct.	134.3	90.1	58.9	4.8	54.1	80.2	44.2	36.0	40
Nov.	132.2	96.5	61.8	4.6	57.2	75.0	35.7	39.3	43
Dec.	136.3	95.6	65.4	4.7	60.7	75.6	40.7	34.9	44
1980									
Jan.	135.3	93.3	63.8	4.7	59.1	76.2	42.0	34.2	44
Feb.	133.2	91.3	63.8	4.8	59.0	74.2	41.9	32.3	44
Mar.	133.3	88.0	59.9	4.3	53.6	79.7	45.3	34.4	40
Apr.	127.8	79.7	49.3	3.7	45.6	82.2	48.1	34.1	36
May	123.6	79.5	50.3	3.7	46.6	77.0	44.1	32.9	38
June	124.4	87.6	59.6	4.1	55.5	68.9	36.8	32.1	45

[1] Revised series. [2] Estimated weighted average price of retail cuts from pork carcass. [3] Value of wholesale quantity equivalent to 1 lb. or retail cuts. A wholesale carcass equivalent of 1.06 is used for all years. [4] Market values to producer for quantity of live animal equivalent to 1 lb. of retail cuts. The farm product equivalent of 2.12 was used prior to 1959; it was decreased gradually to 1.70 in 1977 and later. [5] Portion of gross farm value attributable to edible and inedible byproducts. [6] Gross farm value minus byproduct allowance. [7] Percent net farm value is of retail price.

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply			Distribution				
							n consumption	
	Production	Beginning stocks[4]	Imports	Exports and shipments	Ending stocks[4]	Military	Total	Per person[2]
	Million pounds							*Pounds*
Beef:								
1979								
June	1,726	412	239	18	396	18	1,945	8.9
July	1,683	396	186	17	370	14	1,864	8.5
August	1,921	370	152	19	324	14	2,086	9.5
September	1,618	324	154	20	297	13	1,766	8.1
October	1,941	297	148	15	308	8	2,055	9.4
November	1,780	308	201	18	322	12	1,937	8.8
December	1,695	322	209	20	350	17	1,839	8.4
1980								
January	1,884	350	211	19	370	27	2,029	9.2
February	1,707	370	152	20	360	18	1,831	8.3
March	1,653	360	162	22	337	16	1,800	8.2
April	1,739	339	132	19	298	12		
May	1,785	298	178		277	13		
June	1,726	277			253	19		
Veal:								
1979								
June	32	9	1	(3)	8	(3)	34	.1
July	34	8	1	(3)	8	(3)	35	.2
August	34	8	1	(3)	7	(3)	36	.2
September	31	7	1	1	7	1	30	.1
October	37	7	2	(3)	8	(3)	38	.2
November	33	8	3	(3)	9	(3)	35	.2
December	30	9	6	1	10	1	33	.1
1980								
January	33	11	2	(3)	11	1	34	.2
February	28	10	0	(3)	10	(3)	28	.1
March	30	10	1	(3)	9	1	31	.1
April	30	9	0	(3)	9	(3)		
May	29	9	1		8	(3)		
June	30	8			8	1		
Lamb and Mutton:								
1979								
June	21	13	6	1	11	(3)	28	.1
July	23	11	3	(3)	12	(3)	25	.1
August	23	12	3	(3)	12	(3)	26	.1
September	23	12	3	1	11	(3)	26	.1
October	26	11	3	(3)	12	(3)	28	.2
November	24	12	3	(3)	11	(3)	28	.1
December	23	11	2	(1)	11	1	23	.1
1980								
January	27	11	2	(3)	10	(3)	30	.2
February	25	10	2	(3)	9	(3)	28	.1
March	28	9	3	1	8	(3)	29	.1
April	28	8	2	(3)	8	(3)		
May	27	8	6		9	(3)		
June	22	9			10	(3)		
Pork[5]								
1979								
June	1,211	290	51	38	270	10	1,234	5.6
July	1,220	270	40	36	225	8	1,261	5.8
August	1,351	225	37	34	180	8	1,391	6.4
September	1,204	180	35	40	178	11	1,190	5.4
October	1,550	178	39	43	219	7	1,498	6.8
November	1,470	219	44	37	257	8	1,431	6.5
December	1,326	257	44	44	281	8	1,294	5.9
1980								
January	1,449	281	42	32	285	14	1,441	6.6
February	1,287	285	43	28	272	9	1,306	5.9
March	1,388	272	47	34	291	19	1,363	6.2
April	1,514	291	45	38	344	7		
May	1,473	244	40		358	7		
June	1,313	358			312	11		
Total meat:								
1979								
June	2,990	724	297	57	685	28	3,241	14.8
July	2,960	685	230	53	615	22	3,185	14.6
August	3,329	615	193	53	523	22	3,539	16.2
September	2,876	523	193	62	493	25	3,012	13.7
October	3,554	493	192	58	547	15	3,619	16.6
November	3,307	547	251	55	599	20	3,431	15.6
December	3,074	599	261	66	652	27	3,189	14.5
1980								
January	3,393	653	257	51	676	42	3,535	16.2
February	3,047	675	197	48	651	27	3,140	14.4
March	3,099	651	213	57	645	36	3,225	14.6
April	3,311	659	179	57	659	19		
May	3,314	652	225		652	20		
June	3,091				583	31		

[1] Excludes production from slaughter. [2] Dervied from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 lb. [4] Beginning 1977, excludes beef and pork stocks in cooler. [5] Includes stocks of canned meats in cooler in addition to the meats listed.

Selected price statistics for meat animals and meat

Item	1979			1980						
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	65.81	67.00	67.78	66.32	67.44	66.80	63.07	64.58	66.29	70.47
Good, 900-1100 lb.	61.27	62.35	63.06	61.89	62.54	62.85	59.06	60.25	61.04	63.79
California, Choice 900-1100 lb.	64.90	70.44	69.94	67.15	69.94	69.56	66.90	67.62	68.75	70.78
Colorado, Choice 900-1100 lb.	65.04	67.51	67.52	64.59	66.57	66.35	none	none	68.01	none
Texas, Choice 900-1100 lb.	65.49	68.15	69.66	67.17	68.80	67.75	64.92	67.32	68.42	72.05
SLAUGHTER HEIFERS:										
Omaha:										
Choice, 900-1100 lb.	63.87	65.02	66.50	61.30	66.21	66.05	61.84	62.48	64.39	67.05
Good, 700-900 lb.	58.42	59.38	61.41	60.77	61.44	61.61	57.77	58.61	59.90	62.38
COWS:										
Omaha:										
Commercial	46.80	45.66	46.15	46.99	50.41	47.96	44.92	41.86	43.08	44.92
Utility	47.71	46.49	46.98	47.94	51.22	48.80	45.73	42.78	44.06	43.33
Cutter	46.06	44.12	44.55	45.49	48.78	47.05	43.40	40.84	42.79	41.66
Canner	44.37	42.21	41.81	42.54	46.19	45.04	40.54	38.87	41.19	40.12
VEALERS:										
Choice, S. St. Paul	96.48	73.88	70.00	70.00	70.88	73.88	73.60	71.88	72.00	73.00
FEEDER STEERS:[1]										
Kansas City:										
Medium No. 1, 400-500 lb.	94.04	92.99	93.84	91.64	98.08	90.39	83.99	81.00	79.65	77.12
Medium No. 1, 600-700 lb.	81.29	82.44	82.80	80.52	83.18	77.62	69.87	69.18	72.25	73.32
Medium No. 2, 600-700 lb.	71.80	72.48	72.25							
All weights and grades	73.34	78.92	77.55	76.52	78.35	72.67	66.89	65.52	68.83	69.48
Amarillo:										
Medium No. 1, 600-700 lb.	78.43	80.78	80.85	79.63	82.62	77.81	68.05	68.58	69.12	71.33
Georgia Auctions:										
Medium No. 1, 600-700 lb.	70.20	71.12	68.50	73.00	79.88	69.88	63.50	61.62	63.75	68.12
Medium No. 2, 400-500 lb.	75.20	78.12	74.33	79.88	87.12	75.50	67.70	67.00	68.88	65.62
FEEDER HEIFERS:										
Kansas City:										
Medium No. 1, 400-500 lb.	79.02	77.36	78.66	77.54	83.00	74.92	68.72	67.45	68.22	68.12
Medium No. 1, 600-700 lb.	71.40	71.49	72.35	71.66	74.45	68.05	61.57	61.60	64.52	65.80
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-230 lb.	35.21	37.33	39.86	38.41	38.26	34.49	29.68	30.40	36.10	44.24
All weights	34.62	35.47	37.75	37.29	37.54	33.82	28.64	29.07	34.44	42.97
Sioux City	34.92	36.13	38.30	37.58	38.02	33.97	29.08	29.35	34.97	43.22
7 markets[2]	34.70	36.01	38.45	37.49	37.51	33.94	28.86	29.50	35.17	43.16
Sows:										
7 markets[2]	30.07	29.39	30.80	33.52	35.49	32.03	26.86	25.70	29.09	37.14
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	23.10	26.35	25.82	29.52	34.84	29.97	23.86	20.37	22.24	24.48
SLAUGHTER LAMBS:										
Lambs, Choice, San Angelo	66.50	66.63	68.12	67.40	66.31	68.62	65.50	61.75	69.00	69.00
Lambs, Choice, So. St. Paul	62.76	62.08	66.10	63.62	64.28	62.98	56.80	63.48	64.80	64.98
Ewes, Good, San Angelo	25.55	27.00	27.17	26.50	30.62	32.75	27.90	25.00	22.00	22.00
Ewes, Good, So. St. Paul	17.68	17.00	20.70	21.00	21.00	21.30	18.14	14.75	12.25	12.18
FEEDER LAMBS:										
Choice, San Angelo	70.00	73.00	79.83	77.88	79.00	70.50	64.00	57.42	65.38	65.38
Choice, So. St. Paul	70.04	67.82	69.70	71.10	68.50	68.50	57.46	50.00	55.67	59.14
FARM PRICES:										
Beef cattle:	64.60	63.90	64.40	63.90	66.60	64.30	60.20	60.60	61.30	62.60
Calves	86.90	86.30	84.30	85.60	90.80	83.20	74.70	74.50	75.90	75.60
Hogs	33.80	34.50	37.50	36.30	36.70	33.40	28.00	28.60	33.10	41.00
Sheep	27.20	26.30	24.00	25.30	27.80	25.80	24.00	24.10	20.00	17.40
Lambs	65.70	64.90	66.90	67.50	63.30	67.30	59.30	59.90	64.50	66.50
MEAT PRICES:										
Wholesale:										
Central U.S. markets										
Steer beef, Choice, 600-700 lb.	98.32	103.22	105.53	102.26	103.70	103.15	99.41	102.00	105.18	110.11
Heifer beef, Choice, 500-600 lb.	96.91	100.94	104.07	101.02	102.51	102.10	97.30	99.51	101.82	106.93
Cow beef, Canner and Cutter	97.59	96.17	96.72	98.98	101.00	97.69	92.68	87.70	88.19	89.47
Pork loins, 8-14 lb.	80.70	74.12	83.97	80.76	81.28	76.24	70.90	70.73	79.80	87.22
Pork bellies, 12-14 lb.	33.51	43.72	40.88	38.75	34.64	35.00	27.85	29.40	32.51	45.69
Hams, skinned, 14-17 lb.	75.84	87.91	80.15	64.94	66.81	67.08	56.46	0	60.30	0
East Coast:										
Lamb, Choice and Prime, 35-45 lb.	125.35	125.85	131.72	136.98	135.40	144.30	130.15	131.20	136.21	141.37
Lamb, Choice and Prime, 55-65 lb.	123.85	123.19	127.03	125.30	125.40	132.50	111.96	123.38	135.46	141.32
West Coast:										
Steer Beef, Choice, 600-700 lb.	103.53	111.15	110.57	106.75	109.71	109.36	105.24	107.44	108.78	113.11
Retail:										
Beef, Choice	224.3	226.2	232.6	234.5	234.8	236.2	233.3	230.4	230.6	
Veal	296.6	298.5	299.8	301.6	303.8	305.9	310.2	310.0	311.4	
Pork	134.3	132.2	136.3	135.3	133.2	133.3	127.8	123.6	124.4	
Lamb	242.9	247.3	245.4	249.0	249.1	252.9	252.8	247.2	250.1	
Price Indexes (BLS, 1967=100)										
Retail meat	238.6	237.4	242.3	244.1	245.7	245.7	242.6	239.2	238.1	
Beef and veal	256.2	255.5	262.2	264.6	266.2	269.1	267.0	264.8	263.8	
Pork	204.3	201.0	205.0	206.4	202.8	202.6	197.1	191.8	190.4	
Other meats	240.7	242.0	243.0	243.2	244.7	245.8	243.9	240.2	239.4	
Poultry	170.3	171.6	176.2	187.8	182.6	185.7	177.2	176.5	177.9	
LIVESTOCK-FEED RATIOS, OMAHA[3]										
Beef steer-corn	28.1	28.9	28.7	29.3	29.1	29.9	27.2	26.6	26.5	
Hog-corn	14.6	15.3	16.0	16.5	16.2	15.2	12.3	12.0	13.8	

[1] Reflects new feeder cattle grades. [2] St Louis, N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
[3] Bushels of No. 2 yellow corn equivalent in value of 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1979						1980					
		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar	Apr.	May	June
FEDERALLY INSPECTED:													
Slaughter:													
Cattle	1,000 head	2,492	2,862	2,390	2,837	2,593	2,470	2,739	2,486	2,403	2,539	2,616	2,533
Steers	1,000 head	1,289	1,470	1,205	1,395	1,254	1,265	1,444	1,333	1,303	1.373	1,392	1,325
Heifers	1,000 head	750	886	733	867	755	665	720	672	646	685	740	722
Cows	1,000 head	404	452	402	514	533	494	520	432	406	430	431	429
Bulls and stags	1,000 head	49	54	51	59	51	47	54	49	49	52	54	58
Calves	1,000 head	190	216	193	225	210	192	212	187	202	185	161	154
Sheep and lambs	1,000 head	384	415	410	455	386	389	448	419	470	466	454	400
Hogs	1,000 head	6,734	7,662	6,840	8,736	8,097	7,234	8,036	7,276	7,854	8,454	8,165	7,279
Percentage sows	Percent	7	7	6	6	7	7	6	5	5	5	5	6
Average liveweight per head:													
Cattle	Pounds	1,061	1,060	1,064	1,075	1,080	1,087	1,097	1,097	1,192	1,086	1,084	1,081
Calves	Pounds	224	204	203	210	198	201	206	205	203	210	230	233
Sheep and lambs	Pounds	112	110	112	113	114	116	116	117	117	114	114	109
Hogs	Pounds	246	240	240	242	245	246	243	239	239	241	244	244
Average dressed weight:													
Beef	Pounds	640	640	642	648	646	648	653	654	651	650	649	647
Veal	Pounds	137	126	124	130	121	121	127	127	123	129	142	143
Lamb and mutton	Pounds	56	55	55	56	57	59	59	59	59	57	57	54
Pork	Pounds	175	171	170	171	174	175	173	170	170	172	173	173
Production:													
Beef	Mil. lb.	1,588	1,824	1,528	1,830	1,666	1,594	1,782	1,618	1,559	1,643	1,692	1,632
Veal	Mil. lb.	26	27	24	28	25	23	26	23	25	23	23	22
Lamb and mutton	Mil. lb.	21	22	22	25	22	23	26	25	28	27	26	21
Pork	Mil. lb.	1,176	1,302	1,159	1,492	1,403	1,260	1,386	1,234	1,330	1,446	1,410	1,257
COMMERCIAL:[1]													
Slaughter:													
Cattle	1,000 head	2,662	3,034	2,551	3,038	2,798	2,653	2,923	2,645	2,572	2,712	2,782	2,700
Calves	1,000 head	218	241	217	254	240	216	235	205	221	206	184	181
Sheep and lambs	1,000 head	400	433	428	474	403	403	462	431	485	485	469	416
Hogs	1,000 head	7,003	7,963	7,117	9,101	8,499	7,636	8,416	7,603	8,210	8,869	8,551	7,622
Production:													
Beef	Mil. lb.	1,683	1,921	1,618	1,941	1,780	1,695	1,884	1,707	1,653	1,739	1,785	1,726
Veal	Mil. lb.	34	34	31	37	33	30	33	28	30	30	29	30
Lamb and mutton	Mil. lb.	23	23	23	26	24	23	27	25	28	28	27	22
Pork	Mil. lb.	1,220	1,351	1,204	1,551	1,470	1,326	1,449	1,287	1,388	1,514	1,473	1,313
COLD STORAGE STOCKS FIRST OF MONTH:[2]													
Beef	Mil. lb.	388	370	321	298	308	322	350	369	359	337	296	277
Veal	Mil. lb.	8	8	7	7	8	9	11	11	10	9	9	8
Lamb and mutton	Mil. lb.	11	12	12	11	12	11	11	10	9	8	8	9
Pork	Mil. lb.	270	227	182	179	220	258	281	284	271	291	344	358
Total meat and meat products[3]	Mil. lb.	747	688	579	551	606	658	709	735	716	697	714	707
FOREIGN TRADE:													
Imports: (carcass weight)													
Beef and veal	Mil. lb.	187	153	154	150	150	214	213	152	163	132	179	
Pork	Mil. lb.	39	37	35	39	44	44	42	43	47	45	40	
Lamb and mutton	Mil. lb.	3	3	3	3	2	2	2	2	2	2	2	
Exports: (carcass weight)													
Beef and veal	Mil. lb.	13.73	14.69	16.32	12.16	13.45	15.46	14.90	15.82	17.98	15.27	11.15	
Pork	Mil. lb.	24.38	19.90	27.39	28.83	19.66	30.49	18.01	15.41	18.64	23.89	26.94	
Lamb and mutton	Mil. lb.	.08	.08	.11	.19	.16	.11	.05	.06	.19	.11	.12	
Live animal imports:													
Cattle	Number	19,550	18,329	20,261	38,689	132,370	200,136	165,717	54,114	69,991	49,411	46,944	
Hogs	Number	5,781	4,960	6,459	5,870	7,419	16,510	31,549	11,020	20,650	22,430	17,999	
Sheep and lambs	Number	36	345	6609	3,728	2,787	642	0	653	60	26	20	
Live animal exports:													
Cattle	Number	6,903	7,987	3,847	4,860	3,034	6,058	7,450	5,460	4,980	3,496	3,151	
Hogs	Number	2,201	959	806	1,846	1,229	1,186	1,036	1,170	832	876	640	
Sheep and lambs	Number	18,732	14,830	9,772	8,710	4,867	6,053	3,435	5,622	23,788	10,212	11,951	

[1] Federally inspected and other commercial. [2] Beginning Jan. 1977 excludes beef and pork stocks in cooler. [3] Includes stocks of canned meats in cooler in addition to the meats listed.

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